Smiling through Turbulence

PATEE SARASIN

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I would like to thank my parents, friends and colleagues for these unforgettable experiences that made my life so extraordinary. I would also like to thank my wife and children for putting up with me and my craziness and most of all for creating a beautiful home for me to come home to.

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1. Boxing Day 2004 Tsunami – How to Deal with a Crisis

We never knew what a tsunami was prior to December 26, 2004. The tsunami that devastated parts of southern Thailand could have also wiped out our airline. Nok Air at that time was small. We had less than 200 staff and only three aircraft.

The airline had its first flight on July 23, 2004 with the launch of regular services from Bangkok

to Chiang Mai. We then quickly launched regular services from Bangkok to Hat Yai and Udon Thani before launching our Bangkok-Phuket service in October, just two months before the tsunami struck the island.

We launched the Phuket service with a novel concept: check-in on the beach. The idea was that people could check-in and wait at a Phuket beachside resort, near the airport, before getting a Nok Air courtesy bus to the airport to board their flight. People could make use of the hotel's facilities, such as the swimming pool, bar and beachside lounge area.

When the tsunami struck, Nok Air's check-in on the beach got swept out to sea.

I was overseas at the time on Christmas vacation. I first heard about the tsunami when a friend, who was living in Hong Kong, was due to fly to Phuket via Bangkok for his Christmas vacation. He texted me to say he had decided against boarding his flight to Bangkok, because there was a tidal wave.

I thought he meant in Bangkok. 'What is my friend talking about?', I wondered to myself. But after that, I didn't give the matter much thought because I reckoned there could never be a tidal wave in Bangkok.
It was only when I turned on CNN a few minutes later that I saw the pictures of devastation that had swept through parts of Phuket and Khao Lak.

There are sudden highs and lows when running a business. Everyone at the airline, prior to the tsunami, had been on a high. Launching the airline that year, in a matter of months, had been very physically, mentally and emotionally gruelling. We were all tired but immensely satisfied with what we, as a small team, had achieved. The airline had only launched in July and within a few months of operation we were generating one million baht revenue per day, a very significant milestone for the company. As a former ad man who had run the country's largest ad agency, Bates Thailand, that sort of revenue was unheard of.

We had experienced our first real success. But little did we know at the time, the joy would be short-lived because then the tsunami disaster struck.
I quickly called the chief operating officer of Nok Air, Piya Yodmani, who is also my long-time friend and the person who had asked me to join him in establishing the airline.

"What the hell is happening over there?" I said to my friend.

Piya replied: “Right now it is chaotic. Our aircraft was the last aircraft to take off before the tsunami hit Phuket Airport.”

Our aircraft had successfully taken off from the runway just seconds before the tsunami struck and water came in over the runway. I later found out, from speaking to the pilot, that the airport’s air traffic control tower had rushed our aircraft to take off. “Take off now,” they told our air crew. It was quite dramatic. We were the last aircraft out of there before the waves came in. The pilot said to me later that “he had never seen anything like this before.”

If our aircraft had been on the ground when the waves came in, we would have been stuck. For a small airline, with only three aircraft, to lose one aircraft would have been catastrophic.

But, thankfully, because our fleet was intact, we could help others.

The reason I decided to join Nok Air was because the then chairman of Thai Airways International, Thanong Bidaya, had told me that launching a Thai low-cost carrier was a way to help the country.

The tsunami relief effort was also our chance to help the people.

In a crisis, you need think about what you can do to help others. It is not the crisis itself that is important, but how you deal with it. People will judge you, not so much on the crisis, but on your response to it. What has happened, has happened. But what people will want to know, is “what are you doing about it?”

I said to Piya: “Why don’t we take this an opportunity to help Thailand. Why don’t we offer to fly in doctors from around the country for free?”

Piya and I both agreed. We then announced on TV and other media that Nok Air will be flying in for free: doctors, medical equipment and other supplies needed in the tsunami-relief effort.

We put on additional flights to Phuket and helped fly the sick and injured out. We also contacted our passengers to make sure they were safe. Some wanted to leave Phuket sooner and some wanted to stay back to help. We let people change their flight tickets with no penalty.

In a crisis you need to be: responsive, flexible and to help people. But when it comes to helping people, you need to understand your constraints and what you can do effectively. Rather than try to do everything, you need to focus on what you can deliver on.

That is why we decided to focus on the logistics part of the relief effort and to leave, for example, other organisations to administer the aid. Transporting people and supplies to and from Phuket Airport is what we knew we were good at and could deliver on, so we focused on that.

Nok Air's involvement in the tsunami relief effort generated enormous awareness for the airline and goodwill. It impacted on the hearts and minds of individuals by positioning Nok Air as the airline that cares about people.

Even today, the medical community in Thailand remembers us as the airline that was really helping them in the tsunami relief effort.

Also, when we established the airline, we always said we wanted to be 'the airline that touches people's hearts.'

2. Joining Nok Air – When Is the Time to Change Jobs

I first became involved with Nok Air when Piya approached me to do the branding and marketing for the airline.

It was an ad account that promised to be worth 40 million baht in billings per year, making it a sizeable piece of business for the ad agency. We had no airline account but wanted one, as we had earlier pitched for the Thai Airways International advertising account and lost.

Piya is a good friend of mine. We both went to the same kindergarten together and later went to the same school in Bangkok. We later studied in the UK but not at the same school and we both studied in university in the US, at the same time, but at different universities.

He went to Boston University and I went to Clark University which is just outside Boston. We kept in touch and would meet up on weekends.

Piya is one of my closest friends and we worked well together. Our families are also quite close and have known one another for many years. When I came up with the initial branding and creative concepts for the airline, I sought Piya's input and feedback.

When winning new business, one tactic I have always found works is to get the client involved in the creative process, so you get their buy-in. It means when you go to pitch to win the account, the client is already predisposed to the ideas you are going to present.

For the airline, we wanted to come up with a likeable brand; a brand that was fun and aspirational, but one people could relate to and identify with. The name Nok in Thai means "bird", but it also a nickname that many Thai people have adopted. Piya's nickname is also Nok.

I remember I had meeting with Piya in the morning to go over the branding and creative concepts for the airline, which at that time was still officially known as Sky Asia.

We also had a brief discussion talking about who may be the possible candidates for the CEO job.

Then later that day, during lunch time, I was in Tower Records in the Emporium Building when I got a call on my mobile from Piya.

"We know who's going to be CEO," says Piya.

"Who? Tell me," I said.

"You," he replied.

I started laughing and said: "Come on man, give me a break."

Piya continued: "Seriously, we plan to put this in our proposal to the board of Thai Airways International. Would you be willing to do this?"

I said: "If you need to finish your proposal, then you can list me as CEO, you can put it in for now."

Piya asked: "Are you sure?"

I said: “For now it is ok. We can talk further later anyway. To complete this proposal, you can put my name in there, but you can always take it out later anyway.”

Piya responded: “I will put your name in there. Ok.”

“Ok,” I said, “let’s just get it done.”

I still thought he was joking, because he knew I was running Bates Thailand.

My thinking at that time was that we were going to win the Nok Air ad account and we were going to create this new airline brand. The account was worth 40 million baht in billings, so I thought once we secure this account the ad agency’s financial results for 2004 would be very good.

I seriously never thought I would end up becoming CEO of Nok Air.

Before I knew it, I was in the office of Thanong Bidaya, chairman of Thai Airways International, and presenting to him concepts for the brand. I thought I was pitching for the advertising account.
Once I finished my presentation, the chairman said: “Why don’t you be the airline CEO?”

I said: “This is a creative idea I have presented. I don’t know how to run an airline.”

Then he pointed to Piya and said, “he can help you, because he is an airline person. You can do this.”

I said: “I am not sure. I don’t think my father would not agree to this idea.” I was using any excuse I could think of to get out of running the airline.

My father, at time that time, was the private secretary and adviser to the Thai King. If my father said ‘no’ to something people would back off.

Thanong then called my father, Arsa Sarasin, while I was standing there in his office. He put my father on speaker phone and proceeded to explain the situation. I laughed when Thanong told my father that they wanted me to run the new airline. But Thanong said: “It is important, because

Patee will be helping the country."

My father agreed: "You will be helping the country, Patee."

That was it. There was no way I could say 'no' now. I accepted the offer to come on as CEO, but I thought it would only be temporary.

My thinking was to quickly launch the brand and then hand over the running of the airline to a successor. That way I could return to running Bates Thailand full-time. So I went along with it.

When I joined as CEO, I was very focused on building the Nok Air brand.

We announced the new airline in February 2004. It was big news in Thailand and it also made headlines overseas. The Bates international ad network had recently been acquired by UK advertising conglomerate WPP, whose CEO is Martin Sorrell. Martin was very unhappy when he saw the news, as he had been in Bangkok three months earlier to meet with me and other heads of WPP owned ad agencies in Thailand.

Sorrell, I later discovered, had called Jeffrey Yu, Bates regional CEO for Asia, and shouted at him down the phone. Jeffrey then promptly called me and shouted at me down the phone: "What are you doing?"

"I don't know. It's going to be temporary," I said.

"It can't be temporary. It has bloody been announced everywhere," said Jeffrey.

The enormous amount of media attention Nok Air received when it announced its launch was the first time I realised how high profile the airline business is. Following the announcement to the media, I had to rush down to Singapore the next day to attend an airline conference. I was so new to the job that I didn't even have Nok Air business cards.

When I arrived in Singapore, I was still in shock about all the media publicity the airline had received. We hadn't even launched any flights yet and we were already in the international news, such as CNN and BBC.

I had no speech prepared for the conference and I wasn't familiar with airline jargon and

terminology. I remember before I flew to Singapore, Piya was teaching me airline terms like ‘passenger load factor’.

At the conference, I got on stage and improvised by talking about what I knew best – branding and marketing. I explained what the Nok Air brand was about and how we had come up with brand name.

I remember AirAsia CEO Tony Fernandes got up on stage after me and proceeded to criticise the branding of Nok Air by arguing it was an unoriginal as there were already many low-cost carriers named after animals: Lion Air, Tiger Airways and Firefly.

During the question and answer session, Tony and I debated the topic of airline branding. He made a mistake going after a person who had spent more than 12 years working in advertising on brands. It was easy for me to turn the debate around in my favour and attack back. At that time, I hardly knew anything about airlines, but I knew about branding and marketing.

3. Kid Growing Up – Learning About Family Legacy

When I was a kid, I was forbidden from leaving the family compound. I never knew why until years later.

Our family was in national politics, so it was considered unsafe for us to venture outside for fear of being kidnapped.

We could play inside the compound, but we were barred from going outside on our own. My cousins and I would play among ourselves. There were 18 kids in all, so it was a big group. There were five houses in the compound, all facing onto a very large central courtyard. We would run around and play games such as football and hide and seek.

When we went to school we had drivers who accompanied us in the morning and then picked us up at 3pm. The driver would come into the school compound, because no student was allowed out unless they were accompanied.

I remember as kids, we would spend time on the weekends with our grandparents, who lived in

one of the houses facing the compound. We would play in their bedroom. I don't remember, however, spending much time with my parents growing up.

In the 1960s, parents in my echelon of society never really spent that much time with their kids. My father was busy with his career and my mother was busy doing her own thing. Parents left the kids to nannies and other helpers.

The person who taught me how to tie my own shoelaces was a nanny. The one who taught me how to ride a bicycle was one of the drivers. A teacher at school taught me how to swim. And the person who taught me how to drive a car was one of the drivers. I learnt to drive at 14 inside the compound.

The compound was not the most ideal place to learn to drive. I crashed a car once by reversing it into a wall. It was my grandmother's car, so I had to tell her I crashed her car. When I got more proficient, my uncle's driver Sia taught me how to drive in the quiet backroads of Pattaya and then he taught me how to drive on the streets of Bangkok. I loved it.

I remember spending more time with my grandparents. They taught me to respect others and to never to look down on other people.

My grandmother also reminded me that it was my grandfather who had built the family name. "You must remain faithful to the integrity of the family. Don't cheat. Don't do anything that could damage the legacy," she would tell me. I understood and appreciated that. She installed this message into me from the age of six and continued to reinforce it to me years later.

My grandparents were very kind people. My grandmother would take me outside to the shops and to toy stores. She treated me as someone very special. My grandfather had six children – five boys and one girl – but my father was the only one that my grandmother raised personally. Not using nannies.

He became very special to her and vice versa. And because I was his son, she treated me very specially too.

4. Going to School in the UK – Learning to Be Independent

I remember my father telling me one day he was planning to send me to school in the UK. I was eight years old and we were living in Kuala Lumpur at the time, because my father was a junior diplomat in the Thai embassy there. In Kuala Lumpur I went to Alice Smith Primary School, which still exists today and follows the British education system.

My father showed me the brochures from the preparatory school in the UK, Saint Wilfrid's.

The brochures had pictures of children in school uniforms smiling.

Then my father said he planned to send me to this school in the UK when I turned 10. I knew I would be living away from my family, but I was quite indifferent about it. I didn't know how to feel. It was still two years away. I didn't realise then, what I would have to go through later. I had no idea.

When I turned 10, I was really into Batman comics. For some reason, I thought England would be like New York, where Batman is set with its large modern skyscrapers. But when I arrived in London, I was in shock. 'This is not what I pictured England would look like. Everything is so old,' I thought to myself.

My mother, two sisters and grandmother accompanied me to England to help me to settle in. We stayed in a shabby room on an upper floor of the Thai embassy.

To make me feel better, my mother took me to see the sights: Buckingham Palace, the zoo, Madam Tussauds, Big Ben and Kew Gardens, which are also known as the Royal Botanic Gardens. That was fun, but then first day of school arrived. I realised I would have to live at the school and my family would be leaving to return home to Thailand. I was devastated.

My family took me that evening to see a movie to try and cheer me up. It was a comedy called *Silent Movie* starring Mel Brooks. It was a funny movie, but I cried throughout.

Having your family leave you at such a young age, is quite traumatic. I was just a kid, so I didn't understand why my family was doing this to me.

When they left to return to Thailand, I wrote a letter. The letter arrived at my parent's home more than a week later. It was to tell them that I wanted to come home. I also sprinkled water on the

letter and wrote that ‘these are my tears.’

My grandmother saw the letter and got very angry with my mother. “You shouldn’t have sent your kid at 10 years old to England.” She also berated my father: “Why did you send your kid away at only 10 years of age? Ten years of age?”

My father’s explanation was that he was a career diplomat who was posted to a new country every couple of years. He felt it was better that I go to boarding school, so I could be more settled and make friends.
I was very depressed. I missed my parents so much and would write to them every day.

The school had a place where you could collect your mail. Each morning I would wake up and go there to check if there was a letter from my parents. I would look forward to seeing those letters and was so happy when I received one.

But as I became closer to my new friends at school, my letters to my parents became less frequent. I went from writing every single day, to hardly writing to them at all. My mother became concerned by that.

That was a clear sign that I was becoming quite independent from my family. I made friends at school quickly. When I went through the trauma of my family leaving me, the only solace was I could see that the other kids at school were going through the same thing. You learn to survive and to rely on your friends. I shared a noisy dormitory with 10 other kids.

The school was austere in some respects. I remember we were only allowed to have one bath and one shower each week. For the shower, you would line up and they would spray you with a high-powered hose. As for the bath, it was only filled one-third with water. The school did it to save water.

Me and all the other kids at school were very smelly, because we would wear the same clothes for the whole week. After playing sport, we were unable to shower or bathe unless it was the day we were allocated our once weekly shower or bath. The only other option was to clean ourselves with a wet towel or sneak into the shower room at night, which is what some of us did.

The school was also very strict about how much we consumed. At lunchtime we were allowed four sweets – no more than that – and we would queue up for them. On weekends, we were

allowed one soft drink and one comic. We ate English food: shepherd's pie, steak and kidney pie, baked beans and bacon, fish and chips, bangers and mash, and 'toad in the hole', which is sausages baked in Yorkshire pudding batter. Sundays we had roast beef and vegetables.

We lived according to a very strict routine. The school taught us how to endure living in a very rigid and crappy system. I think it was a bit too rigid.

I did, however, become very independent and versatile. Some would say a little too independent. I remember when I was 13 I had to meet a friend of my father's who had just arrived in England to work in the Thai embassy. My train was late and arrived at Victoria station after the London Underground had closed for the night.

I decided to sleep overnight on the platform of Victoria station. I was not scared, but I do remember a drunk man coming up to me that night. "You look cold. Would you like a drink of whisky?", he asked.

The next day I met my father's friend and told him that I spent the night sleeping at the train station. "Why? Why didn't you call?", he asked. "Not much money. Wanted to save the money," I replied.

When I went to high school, which was at The King's School in Canterbury, it was less rigid than my preparatory school. I remember thinking how wonderful it was, that I could take a bath whenever I wanted.

The King's School in Canterbury is divided into different houses. I was in Luxmoore House, a very sports-driven house thanks to the housemaster 'Mr B'. He was fanatical about sports, which meant if you were good at sports, 'Mr B' loved you.

The famous English cricketer David Gower, who went on to captain the English cricket team in the 1980s, had studied at Luxmoore House. 'Mr B' loved David Gower.

I did rugby, tennis and athletics. I was very in tune with the housemaster. If I did something wrong, 'Mr B' would forgive me, because I was doing well at sport. I also made many friends at The King's School in Canterbury, because I was recognised as a sportsman.

There were many rules at The King's School in Canterbury; we were forbidden from eating in

restaurants, buying fish and chips, going to pubs, smoking, *etc.* We broke all the rules, but 'Mr B' forgave us, because we played rugby and our team was winning.

One of the best times of my life was going on holidays in rural England. The Thai Overseas Students Association would arrange for us to spend the holidays living with English families.

I stayed with farming families near Peterborough in southeast England. There was one family, the McCormack's, I spent several holidays with, including Christmas.

I was a kid so, of course, I loved the ritual of a traditional English Christmas; shopping for presents, getting to eat candies, putting your stocking out at night and waking up the next morning to see what Santa Claus had brought.

The McCormack's lived in a small village, Benefield, that only six houses. It had no shops, but it did have a blacksmith that sold Coca-Cola.

The mother, Sue McCormack, and the grandfather were farmers. I remember being quite amazed when they told me the grandfather had fought in the Boer War. I had heard of World War I and II, but I had never heard of the Boer War. Sue's husband Bill was an architect. The son William, who was about the same age as me, became a good friend. Bill and Sue also had two daughters Sally-Anne and Lyne. I remember going to Dundee, Scotland with the family to see Sally-Anne's fiancé, Nicholas, who was a Scot. I also attended their wedding in Scotland.

I really became quite close to the McCormack family. It was amazing living with this family. The experience taught me how to be independent and how to live in an isolated place.

I don't consider London to be England, because it has become so cosmopolitan, but living in a village in southeast England does give you insights into English culture.

My impression is the English, living in rural England, are quite conservative but very friendly and sincere. They, like my father, also believe in the importance of living within your means.

When I was 16, I spent my holidays in Brussels because my father was Thailand's ambassador to Belgium and the European Union. I had a holiday job working as a waiter in La Thailande, which was the only Thai restaurant in Brussels at that time. The restaurant was owned by my uncle. I became good friends with one of the waiters who was Moroccan. After work we would

go out clubbing.

Being a waiter taught me about customer service and how to deal with people including difficult customers. I learnt how to appease people and how to salvage a bad situation. If a customer was unhappy with the food, I would say ‘sorry’ and find a way to please them. I also spoke in my broken French, which the customers appreciated because they could see I was trying to learn the language.

Living overseas, away from my parents, at such a young age did teach me how to survive in different situations. But looking back on it, I would never send my kid away at 10 years old.

My father also felt it and he saw a change in me. When I was 17, I came back to Bangkok for the holidays. My father wanted to spend time with me and to be close to me, but I wasn’t there. He came up to me in the living-room one day and said: “I never see you.”

“I know,” I said.

“Well, you are here for a holiday, but I never see you,” he said, sounding very annoyed. He never saw me, because I was busy going out with my friends.

My father could not understand why I had become so independent.

I would go out clubbing in Bangkok. I would then wake up quite late and then go to work. I had a holiday job working for Loxley, the Thai distributor of Olivetti typewriters.

I would sell typewriters door to door. What I would do to get a sale, is first strike up a social conversation with the person. I refrained from selling at first. I was a kid and people were generally amazed that I could speak English. I would explain I was studying in the UK and tell them about my life. I also asked them questions about their life. After developing some rapport, I would say “if you can help me. If you need a typewriter, then I can sell you a very good typewriter. I have a sales target I need to meet. So, if you can help me…”

5. Monica – Learning About Love

I went to university in the US because my father wanted my older sister, Kittiya, to study at an American university and he wanted me to be close to her. She went to Boston University and I went to Clark University outside of Boston.

I applied to many US universities, but I chose Clark because I was dating a girl called Amy Clark. When the acceptance letter came in from that university, I thought 'it has to be Clark.' It was a good university too.
When I was in the UK and in the US, I hardly met any Thai girls. The ones I met were my cousins or friends of my older sister. My friends were mostly locals and I lived very much like a local rather than as an expat. The girls I dated were from the UK and the US.

I also had a German girlfriend, Monica, who I met when I was on a holiday with my friend Paniph Bikipseth who was studying at Boston University.

Paniph's mother owned a Thai restaurant in Dusseldorf, so we went to that German city first. Monica was Paniph's friend.

We all spent time together in Dusseldorf and then we went on holiday together in Port Grimaud, near St. Tropez on the Mediterranean in southern France. I was immediately attracted to her. It was because of her independence. She was also very good-looking.

She did not get many opportunities in life – she was a taxi despatcher in Dusseldorf - but she had a strong will to succeed, was sincere and assertive. I don't know why, but at that time, there was a toughness about her that I liked.

I was 23 and she was a 26 year-old single mother with a three year-old daughter Jessica.

After spending the summer holiday in Germany and France together, Monica came over to the US to see me. I had been dating a girl in the US, Maria, so I quickly had to break up with her.

After graduating from Clark University in 1985, rather than spend time in Bangkok with my parents, I went to Dusseldorf to live with Monica. She lived in an apartment that was in the attic of a house. I would take Monica's daughter Jessica to school each day. I also had to learn how to speak German, because Monica's parents didn't speak a word of English.

I remember getting a call one day from the Thai ambassador to Germany. "Your father is looking

for you. You better come home."

My father, not knowing where I was, had contacted several of the Thai embassies in Europe and had them track me down.

I had a very long relationship with Monica and I was very much in love with her. I brought her to Bangkok to meet my parents, but they were opposed to me having a serious relationship with a German girl. My father was concerned that if I married Monica, I might alienate myself from mainstream Thai society and live an expat lifestyle.

Monica and her daughter Jessica moved to the US to live with me when I was studying for my masters' degree at American University in Washington D.C. It was hard for Monica living in the U.S., because she was unable to get a work permit. There was very little for her to do in the US, so she and Jessica returned to Dusseldorf. Monica and I kept in touch but – sadly – our relationship was over.

6. Busking, Pizza and Newspaper Delivery – Learning to Live Within Your Means

I went to university in the US because my father wanted my older sister, Kittiya, to study at an American university and he wanted me to be close to her. She went to Boston University and I went to Clark University outside of Boston.

I started to like music a lot from the age of five. My father and mother never stopped me in taking an interest in music, but they were never that supportive either. They felt that music was unimportant.

It was my grandmother who bought me my first guitar and paid for my first guitar lesson. I remember at the age of six, I went to the Yamaha Music Studio for my first guitar lesson. My cousin Pornwut Sarasin came with me. I thought my first music lesson was boring, because we were taught to play one note at a time. But on the ride back home in the car, Pornwut sat on the back-seat strumming chords on his guitar.

"What's that song that you are playing Pornwut?" I asked.

“It’s ‘Heart of Gold’ by Neil Young,” he said.

Pornwut taught me what chords were and I started practicing them myself using a guitar music book. Neil Young’s ‘Heart of Gold’ was also the very the first album that I bought. I became interested in rock music at a very young age and went straight from listening ‘Sound of Music’ to listening to Neil Young and other contemporary bands such as Deep Purple. Even though I loved rock music and could strum a guitar, I was never really that passionate about playing guitar. I also knew that I could never ask my parents to buy me an electric guitar.

I started playing a bit more from the age of 11 when I was at preparatory school in the UK. I would use the school’s guitar in the music room and practice there by myself. I never took guitar classes at that school though. I taught myself how to play guitar.

When I went to The King’s School in Canterbury, I played even more, because that was when I bought my first electric guitar; a second-hand one that looked like a Fender. I would play in my room, which I shared with two other boys.

I started busking at 14, because I wanted to buy a record player and to buy more records. When I walked through the London Underground, I would see the buskers and could see they were making quite a bit of money.

I would busk on weekends in the London Underground and make a good amount of money. The most I made in one day was 165 pounds, which was a lot considering my monthly allowance was only 40 pounds.

I played simple rock songs by musicians such as Neil Young (*Heart of Gold*) and Terry Jacks (*Seasons in the Sun*). In those days there was no restrictions on where you could busk in the train station, so I would get a good spot, with a lot of foot traffic, and play my guitar. I usually played in the Piccadilly area or at Knightsbridge train station.

I would start at 11am, so I could get the lunch time crowd and then would then have a break at 3pm and then start again at 5pm so I could get the peak hour crows and then finish at 7pm or 730pm.

The experience of busking in the London Underground taught me how to set realistic sales targets. I would set a target for myself – in terms of how much I wanted to earn that day – and I

would work hard and make the most of my time at the train station busking to achieve the target.

My parents never believed in giving their children any more than what they needed. They also hardly ever gave us money when we were studying overseas. Instead they gave the monies to the Thai Overseas Students' Association, a non-profit organisation linked to the Thai Government.

Parents gave to that association which then administered the money. The parents also paid the school fees via that association.

The 40 pounds monthly allowance I had, was very minimal. I couldn't even afford to buy new shoes.

When I went to university in the US, my monthly allowance was US$200 a month. My rent per month was US$125, which is why I had to work delivering pizzas.

I ordered a pizza one day and started talking to the pizza delivery guy to find how I could apply for such a job. I then went up to the pizza shop and asked. "We don't pay much. But you'll make good money on tips," they told me. I earnt about US$100 per shift, working 6pm to midnight, which was quite good money. But the salary component was only US$18, so I was paid well below the minimum wage. The pizza shop did, however, give me free pizza.

The experience of delivering pizzas, taught me that people's consumer behaviour is very different when they are with their friends. If it was an order for several pizzas, because it was a group of people having a party at home, then I usually always got a good tip. But if it was an order for one small pizza, because it was one person alone at home, I usually got a very poor tip. People are more generous when they are in a group, because they want to look good in front of their friends.

This desire to look good in front of your friends and to be part of the group, is an inherent consumer trait. It is also something that savvy marketers tap into when selling their products. When I was at Bates Thailand, we never marketed Heineken to individuals. We always marketed Heineken as a beer that you share with friends. That way, you sell more beer and you convert non-Heineken drinkers to Heineken, because people want to be part of the group.

At Clark, I delivered pizza three days a week; while at American University, where I did a masters in mass communications, I had a part-time job delivering morning newspapers.

We had to arrive at 3am at this huge residential complex comprising of three apartment towers. In the basement, there would be bundles of newspapers that we had to hand deliver to all the apartments. We would finish at 8am.

When I got to the U.S., I really wanted to play more music, so I joined a university band. We never performed in a concert. Instead, we would get together in a room and play for our own enjoyment.

During my second stint in the U.S., when I was studying for my masters' degree, I bought my first real guitar – a Fender.

My upbringing was very tight in terms of finances, because my parents never wanted us to become spoilt.

The values my father instilled in me was integrity. That was number one. Then the other important values he taught me were to live up to your responsibilities and to live within your means.

7. Before Nok, There Was Chicken – Learning About the 'Real' Thai Society

After completing my undergraduate degree in business management and marketing at Clark University, I wanted to spend a year getting some work experience before doing my masters' degree.

I returned to Thailand and Dad helped me to get a meeting with the CEO of CP Group, Dhanin Chearavanont. My father has known Dhanin since the 1970s when he was a humble chicken farmer. My father was the Thai ambassador to Belgium and Dhanin came to Belgium in the 1970s to source for chicken feed.

CP Group has since grown to become Thailand's largest private company and one of the largest conglomerates in the world with a workforce of over 300,000 people spread across more than 30 countries. I remember my father telling me in the 70s, after meeting Dhanin for the first time, that he felt this industrious chicken farmer from Thailand would go on to be very successful.

CP Group today is involved in agriculture, food, retail, distribution and telecommunications. When I met Dhanin in his office for the job interview, the group was still much smaller than it is today.

He asked me: “What do you want to do?”

I said: “I have lived my life away from Thailand. I want to understand Thai culture. The real Thai culture, not the high-end. I think it is best that I learn from the bottom up.”

“Ok, you can go work in the farms then,” said Dhanin.

I had no idea what he meant, when he said: ‘go work in the farms.’

“What you are going to learn is how the farms work and you will also learn about food processing. Tomorrow you will report to this place,” said Dhanin, handing me a slip of paper with an address on it.

The first place they sent me was to a slaughter house where I met one of the managers. The manager said: “First, we are going to put you into the farms. You will be living there,” he said, showing me an address in Chon Buri.

I drove myself to the chicken farm in Chon Buri, outside Bangkok. When I arrived, I was shocked because it was the middle of nowhere. Chon Buri was very under-developed then. There were none of the factories that you see today. Instead there was empty fields and rolling green hills. It was actually quite picturesque countryside.

I got to the farm at 3pm and was surprised when we were all told to go to bed at 6pm.

“Why?”, I asked the friendly farm manager who had greeted me when I first arrived.

“We don’t have electricity,” he explained.

“Why not?”, I asked.

“The electricity is the for the chickens. We use candles,” he said.

It was a real shock to me, because no electricity meant no air-conditioning, fan or television. There was none of the modern conveniences that we are used to having living in the city. That night I was unable to sleep because the room was so hot.

All the farm workers slept on mattresses together on the floor in one room. I could cope with that, because I was used to living in a dormitory.

At 3am, we were told to wake up.

We would put on our farm clothes and boots and then we would walk into the decontamination area – where you go under a shower of decontamination spray - and then walk out into the farm to feed the chickens.

I liked working on the chicken farm. The farm workers were very friendly and sincere. They were all different ages, but the ones in my age group became good friends of mine.

They couldn't believe I was a member of the Sarasin family. I became very close to them and was known in the group as the party guy. The farm workers would eat dinner at 4pm before going to bed at 6pm.

I would tell my friends: "At 6pm, when the lights go out, we go out." We would then drive to a restaurant or bar where the food was cheap and good.

After working on the farm for a few weeks, I started to develop allergies and get asthma attacks.

I had a very serious asthma attack and I had to go to the local hospital. A friend from the farm came with me.

In my ward, in the next bed to mine, was a patient who was very seriously injured from a car accident. The patient's family were there. Some of the women were crying.

There was a curtain between my bed and the other patient's, so I couldn't see them, but I could hear. The father of the injured man walked over to my bed to say 'hello'. He said he had not seen his son for a long time.

Then at that point I heard the doctor say: “He’s going to die.”

When I heard those words, I had a sudden burst of adrenalin and my asthma attack miraculously stopped. It was before the nurse even had a chance to come to my bed to treat me.

“Let’s go. Let’s get out of here,” I said to my friend.

I quickly got out of my hospital gown, put on my farm clothes and walked out of the hospital.

I continued to work in the farm but was assigned to take care of the older chickens. Then I was sent to work in the slaughter house. My job was to take the chickens from the cages and suspend them upside down by their feet and put them on a moving line where they were later slaughtered.

After working in the slaughter house, I became a truck driver for CP. I drove large semi-trailer trucks.

I had to carry a wad of ten baht notes in my trouser pocket. You would pass these makeshift check-points where the police would stop you and try to exhort money by claiming the truck is overweight.

One day, a police officer at a check-point asked to see my driver’s license. At that time, my uncle was Thailand’s chief of police and here I was in the backroads of Chonburi driving a chicken truck. I handed over my driver’s license.

The police officer took one look and said: “This must be a fake. Pay me 100 baht.”

“It’s not a fake,” I explained.

“It must be a fake,” he retorted.

That is when I learnt how corrupt the Thai police force can be.

Working for CP was good life experience. My experiences on the chicken farm also reinforced to me the importance of showing respect and treating people as equals. If you come across as superior or look down on people, they will not talk to you. They will shut off from you and isolate you.

I also learnt the importance of blending in wherever you are - like a chameleon. Don't think of yourself as superior. To earn people's respect, is to avoid acting superior.

The people I met on the chicken farms were very real and sincere. They didn't try to take advantage of me.

After working as a truck driver for the chicken farm, CP transferred me to the marketing department where I helped to market frozen chicken to Japan. I also worked with CP's ad agency on a campaign selling tinned pineapple to Germany. That was my first exposure to the ad industry and I loved it.

Working in CP's marketing department gave me the idea to work in advertising.

8. Meeting the Khmer Rouge – All Is Not What It Seems

Aranyaprathet is a Thai town that straddles the Thai-Cambodian border. If you go there today, you will see it is well developed. This is because there is a thriving casino industry next door in the town of Poipet, on the Cambodian side of the border.

They have tried to make the place look like a mini Las Vegas with neon flashing lights promoting casinos with names such as Grand Diamond City and Tropicana. But it is really a gritty and lurid border town riddled with vice.

When I was there in 1988, Aranyaprathet and the surrounding area, on the Thai side of the border, was a huge refugee camp where food was scarce. Vietnam invaded Cambodia in December 1978, ousting the Khmer Rouge.

Hundreds of thousands of Cambodians fled across the Thai border and ended up in refugee camps administered by the Thai Army. The camps looked like one big slum where people lived in tents and bamboo huts.
Khmer Rouge guerrilla fighters also lived in the refugee camps.

The Khmer Rouge, at that time, was led by Khieu Samphan who had been head of state when the

Khmer Rouge, led by Pol Pot, controlled Cambodia from 1975-79. He was later convicted in 2014 and is now serving a life sentence for crimes against humanity.

There were two other Cambodian groups fighting for independence from the Vietnamese. The People's National Liberation Front, led by Son Sann, who was anti-Communist. He would later form a political party, the Buddhist Liberal Democratic Party, that was part of the coalition government that came to power in 1993.

Then there was the royalist group FUNCINPEC, which was led Norodom Ranariddh, the son of Cambodian King Norodom Sihanouk. Ranariddh would later be prime minister of Cambodia from 1993 to 1997.

I interviewed all three of men for a documentary, *Stalemate Kampuchea*, I helped produce with my lecturer at American University, Darren Stucker, and 13 fellow students in my class.

My father got us the interviews. He also secured for us an interview with the Vietnamese ambassador to the United Nations.

When I first approached him for help, he declined. He didn't take our project seriously and he had a big job – as Thai ambassador to the US – so he thought it would be disruptive to his work.

He didn't say this to me, but I think he also felt that it was dangerous going to the refugee camps.

I explained that the project was already well advanced because our lecturer and some of the students had already been doing research for this documentary, even before I had joined the class.

Initially he tried to feign ignorance by saying "I can't help you. I don't know how to help you with this."

I said: "Look, this is a serious project. This is supposed to be my final project at college. We're not there to destroy anything. We are there to bring out the information."

Then he agreed to help. I think he did it, because I was his son and he wanted to help me. He cared about me and wanted me to do well in university.

Within a few days, he had arranged all these meetings for us. I didn't know, until then, how much influence he had.

Thailand had been helping all three Cambodian political groups fighting for the country's independence from the Vietnamese. Its biggest fear at the time, was that communist Vietnam could invade Thailand.

We had been an ally of the South Vietnam Government and was also the United States' main ally in Southeast Asia. During the Vietnam War there were US troops in Thailand. U-Tapao Airport, near Bangkok, is where US military B-52 bombers launched bombing missions into North Vietnam.

The fall of Saigon in April 1975 meant the Americans completely left South Vietnam and they also left Thailand. Vietnam's subsequent invasion of Cambodia in 1978, meant there were Vietnamese troops on our eastern border.

Thailand felt very vulnerable to attack from the Vietnamese. People still believed in the 'domino theory', espoused by successive U.S. Governments, that as each country falls to communism, the neighbouring countries will also follow. There were also newspaper editorials predicting that Thailand would be next to fall to communism.

Also, the only thing separating us from the Vietnamese Army was the remnants of the Khmer Rouge as well as Son Sann and Ranariddh's fighters.

I interviewed all three Cambodian independence leaders. I was impressed with none of them, because none had charisma.

Each also had completely different viewpoints on how Cambodia should be, and each talked a lot about why they should be in power.

You would think that each leader would have been living in their respective border camps, to be close to their people, but each one was in safe houses in metropolitan Bangkok. They were all living in Bangkok.

What I remember most about producing that documentary, was the refugee camps. The refugee camps, in and around Aranyaprathet, were only three hours' drive from Bangkok by highway,

but it was a completely different world out there by the border.

Prior to producing the documentary, I had seen very little of Thailand outside of Bangkok.

We interviewed the refugees and stayed in dingy hotels in Aranyaprathet. The refugees' main message was that they wanted to return home and that the Vietnamese should leave Cambodia.

We visited Site 2 - which was the largest refugee camp in Southeast Asia at the time, with a population of 198,000 people – and we also visited Site B, which was a refugee camp where Ranariddh's followers and forces were staying.

I could see that at the camps they were trying to keep the Khmer culture alive, even though they were displaced people now living inside the Thai border. Some of the people wore traditional Khmer dress. In the evenings, there were Khmer cultural performances.

At dusk each night I also saw the Thai Army soldiers, in charge of the camps, rounding up the Cambodian independence fighters. They put them on trucks headed to the border. From there, the Cambodian fighters would slip into the jungle at night to wage guerrilla warfare against the Vietnamese.

At Site B one evening, I saw a Thai soldier stop a truck, full of Cambodian fighters. He yanked out of the back of the truck, a small boy. He looked no older than five years old.

The Thai soldier told the boy to stand away from the truck. Once the boy was standing a couple of metres from the truck, the soldier turned to the Cambodian soldiers on the truck and shouted.

"You want your kid to die? Then kill him, kill him now."

The Thai soldier glared at the Cambodian soldiers who looked stunned, not knowing what to say or do.

"If you take him to the battlefield, he will definitely die there. He will die, so kill him now. But don't take him to the battlefield to die."

The Thai soldier then threw a grenade, which landed at the boy's feet.

But it didn't explode, because the Thai solider had deliberately kept the pin in place.

I was shocked when I saw all this happen in front of me. The Thai soldier then grabbed the boy by the arm and ordered him to return to the refugee camp. The truck drove off without the boy.

What I learnt from that experience was the fragility of life and how Bangkok is not representative of the rest of Thailand. It's a completely different world, out there in rural Thailand.

9. Returning to Thailand – Adapting to Thai Culture

After completing my masters' degree at American University in Washington D.C., I got a job in the US capital at NBC Television.

NBC was just across the street from my university, so I walked in one day and asked for a job. I got one of the lowest paid jobs there. I earned $7.50 an hour sorting video tapes. They showed me to a room that was full of video tapes. It was a mess. They told me my job was to sort the tapes in alphabetical order according to topic and date.

In my spare time at work, I would use the video editing suites to edit my music videos. One of the producers, saw my music video and liked the editing work. I knew how to edit video, because it was one of the skills I learnt when I studied mass communication at American University.

I worked at NBC in D.C. for about 13 months and in my final six months there, I was making nearly $500 an hour editing video, mostly for the NBC News.

Video editing was lot more complex than it is today, so it was a very specialised job. Back then it was linear editing and we used U-matic tapes.

I enjoyed living in America and my thinking at the time was 'maybe I could become a US citizen?'

My rent at the time was $500 a month, which was about what I was making per hour. I called my father one day and I told him that I had ordered a white Porsche.

He was shocked and that was when he told me I better return to Thailand. "I want the family

together," he said.

Looking back on it now, I think I would have done well in the US television industry but returning home to Thailand was the right decision. I could have and stayed in the US, but I felt it was time that I returned home to be with my family.

There are many Thai people living overseas but – unlike some other nationalities – Thais usually gravitate back home eventually.

I have known many Thais that have lived in the US, but as they get older, they want to come home. They just feel they want to be home. I also have friends who are happily living in the US. I ask them, 'would you ever return to live?' and they say 'yes.'

There will, of course, be exceptions: Thais that never come back.

But I think the tendency is to return.

They feel that by coming back to Thailand, they can become somebody. It has to do with identity and their affinity with Thailand.

In terms of national identity, I am often asked what it means to be Thai. Of course, Thai people are very nice and hospitable. But deep inside, they are also very proud and individualistic.

That means working with Thai people has its challenges.

You cannot be straight forward in criticising Thais. They take things very personally. Even as a CEO, when talking to staff, I would have to go around and talk to people on an individual basis. I would start by saying: "Look, everything is good. We love this, but why don't you do this? It may just help you."

Everything is about face. The attitude is 'as long as I look good.' Face is very important to Thai people. Very rarely will you see Thai people criticising themselves.

Thai people, like with people from other cultures, also want recognition. When a Thai person excels at sport, they automatically become national heroes in the eyes of the Thai public because Thai people want recognition.

Thailand creates very good individual sportspeople, but we are not good at creating cohesive teams. In Thailand, we talk about the importance of teamwork, but it is not ingrained in our souls.

10. The Kennedys of Thailand – Life in a Political Family

I remember arriving at Don Mueang International Airport in February 1991, from an overseas business trip, and seeing soldiers and military tanks at the airport. I was working for SPA Advertising then and had just completed filming a television commercial in Malaysia.

When I got home, I saw my father. In 1991, my father had already left the civil service and had become chairman of Padaeng Group, a large mining company in Thailand.

“Dad, there’s a military coup.”

“No, there can’t be,” he replied.

He then switched on the television and there it was: news of a military coup. The Thai military, led by generals Sunthorn Kongsompong and Suchinda Kraprayoon, overthrew the government in a bloodless coup.

But the generals neither wanted to be prime minister nor be responsible for forming the new government. The generals didn’t want to create a military-led government. Instead they installed Anand Panyarachun as prime minister to form the new government.

The military overthrew the previous government, led by Chatichai Choonhavan, because it had become unpopular with the public due to rampant corruption.

Anand had a reputation as an anti-corruption campaigner and the coup leaders gave him a large degree of autonomy. The military were concerned about the country’s image. They knew they needed to have a prime minister who was accepted by the Thai public and respected by the civil service, the business community and the international community.

Anand had the credentials to lead the country. He was an independent thinker and a visionary.

He was also a seasoned Thai diplomat who my father had worked with in the foreign service. Both men also went to school together in England.

Anand called on my father, Arsa Sarasin, to be foreign affairs minister, while my uncle Pao Sarasin – the former chief of police – became the interior minister and my other uncle Bandit Bunyapana became permanent secretary of the ministry of finance. Bandit was also chairman of the national airline Thai Airways International at the time.

With so many family members in government, the Thai media started calling us 'the Kennedys' of Thailand.

Anand's government served for little over one year before the general elections in March 1992 swept a new coalition government into power. But the new government was unacceptable to the military generals.

General Suchinda Kraprayoon seized control and was appointed prime minister, but his government was hugely unpopular and lasted less than three months. Bangkok was gripped by public protests against Suchinda. In the dying days of his administration, Suchinda called my father and asked if he would be prime minister. But my father declined the offer and suggested that there be a general election.

Suchinda was finally toppled from power in late May 1992 by a vote of parliament whereby Anand was installed as prime minister for a second term. My father had been out of government for nearly three months. But with Anand's return to power, my father was called back to serve as foreign minister for a second term.

But the second term in power lasted for less than four months, because it was a caretaker government until fresh elections could be called. Anand's government handed over power in September 1992 to a democratically-elected government led by Chuan Leekpai.

Anand was also a good friend of my grandfather, Pote Sarasin, who was a seasoned diplomat. Pote served as Thailand's foreign minister in the late 40s and early 50s and briefly served as prime minister in 1957.

Pote was also the very first secretary general of the Southeast Asia Treaty Organisation (SEATO), Asia's equivalent to the North Atlantic Treaty Organisation (NATO).

SEATO was an organisation in which Asian countries and their western allies formed a defense pact to try and stem the tide of communism in the region. Pote was secretary general in the late 50s and early 60s, a period when the president of the U.S. was Dwight Eisenhower and then John F. Kennedy. Pote knew both presidents. At that time, Thailand was the U.S.'s main ally in Southeast Asia. Successive U.S. administrations turned to Thailand for insights into the region.

Pote was also the Sarasin family patriarch. He was in his 80s when my father and uncles were in government. He had left politics in the 1970s and was retired. Well retired, officially at least.

The Sarasin extended family then, and still does, live in a large compound in a residential area in central Bangkok.

Every morning my grandfather would have breakfast with my father and two uncles on the veranda of his house overlooking the compound's central courtyard. I was too young to appreciate it at the time, but here on the veranda of my grandfather's house were key members of government discussing the issues of the day facing the country.

My grandfather would steer the breakfast meetings and advise my father and uncles how to navigate through the travails of Thai politics.

But officially it was just a dad having breakfast each morning with his kids.

11. Bates – Time in Adland

I never thought I would be CEO of an airline. I am a marketing person who honed my skills working in Thailand's ad industry. I started in the market research department of multinational ad agency Lintas Adverting in Bangkok. That was before I moved back to the U.S. to do my masters degree.

When I returned to Thailand, after completing my masters and working for NBC Television, Lintas offered me the number three job in the ad agency, which had more than 200 staff. I was only 25 years old. I had no experience managing people and I worried that if I started in such a high position and then failed, it would be very damaging for my career.

Instead I took a junior position at independent ad agency, SPA Advertising, earning 25,000 baht a month, equivalent of about US$780 month. I joined SPA Advertising as a creative liaison officer. I would deal with both the ad agency's copywriters and art directors as well as liaise with the clients. Because of my previous experience working for NBC in the US, I eventually ended up in the ad agency's TV production department. I was later promoted in 1992 to be general manager of that division.

The role of the ad agency's TV production department was to make sure that what the outside production companies produced was on brief and in line with what the ad agency's creative team and client envisioned. The job is about managing people. We were the go-between who managed the outside production company, the creatives and the client. And managing clients can be tricky, because there are some clients who want to be creative people. We had to manage that.

When I recruited people to work in SPA Advertising's TV production department, I looked for those who were detailed, passionate and loved the work they did.

If the person can explain in detail what they do and you can see - in their eyes - the passion; then it is highly likely they will turn out to be someone who is very detailed and passionate about what they do.

I also make sure that I hire people that, during the job interview, could talk in detail about what they do, rather than those who talk about who they know. People think that to succeed, you need to have connections. But connections can only get you so far, you still need to be good at what you do.
And there is a question I ask in every job interview: 'Tell me about some of the biggest mistakes you have made and why?'

Everybody loves to talk about the good things they have done and what they excel at, but nobody likes to talk about their failings and weaknesses. Talking about weaknesses usually makes people uncomfortable. But if people can talk about their weaknesses, then it shows sincerity. It also shows they have taken the first step to address their weaknesses.

If people are not aware of their weaknesses and they think they are good, then that is a recipe for disaster.

Another question that makes people feel uncomfortable is: ‘Why did you leave your previous job?’ If the person responds to the question by blaming others, then it is a sign the person is political and not suitable.

After working for SPA Advertising for about two years, I joined Bates Thailand. I didn’t really have to apply for the job.

Bates Thailand was a joint-venture between SPA Advertising and Bates Worldwide, which was a multinational ad agency that started in the U.S.

I received a call at about midnight one day from my boss at SPA Advertising, Kitti Chambundabongse. He asked me: “How would you like to be a CEO?”

I didn’t know what he was talking about. He mentioned there was an opportunity to be CEO of Bates Thailand, but that I would have to do a job interview in Sydney, Australia with the regional head of the Bates network.

Next day when I arrived at work, there was an air ticket on my desk – a return ticket to Sydney. I was booked onto tomorrow’s flight.

I remember asking my colleagues at SPA Advertising what I should know to prepare for the interview with Bates Worldwide. The person who would be interviewing me in Sydney was the head of George Patterson Bates in Australia, Alex Hamill, who was also head of the Bates network in the region.

My colleagues at SPA Advertising said, ‘Bates will offer you a company car, so you need to know what type of car you want.’

One colleague suggested that a Volvo would be a good choice, so I thought ‘I’ll ask for a Volvo then.’

I flew to Sydney overnight and arrived there at 5am, enough time to get to my hotel, freshen up and get to the offices of George Patterson Bates for my early morning interview.

George Patterson Bates had its office in Sydney’s central business district in a very large, impressive building with views overlooking Sydney Harbour. At that time, it was the largest ad

agency in Australia. And the person who loomed large over Australia's ad industry at the time was Alex Hamill, chief executive of George Patterson Bates.

Alex is quite tall, more than 6ft, is very driven and is into sport. He runs marathons for fun. He has a lot of gravitas and, for a young ad man from Thailand, can be quite intimidating when you meet him for the first time.

When I met Alex in his office in Sydney, I knew straight away I had the job because he talked in terms like 'when you start at Bates Thailand you will be doing this…' and 'what you will be doing when you join us is …'

The only question I remember Alex asking me was "what type of company car do you want?"

I said: "A Volvo."

Alex said: "Our regional client is Hyundai. You'll drive a Hyundai."

Bates also doubled my salary.

After I joined, I soon discovered they were paying me 'danger money', a term used in the ad industry to describe a highly paid person who is brought in to save the ad agency because the accounts are shaky.

I was shocked when I walked into Bates Thailand for the first time. It looked terrible. I had come from SPA Advertising which was the largest independent ad agency in Thailand. Bates Thailand was so small, it was operating from a house in the back streets of Bangkok rather than from an office.

On my first day on the job I discovered we were going to lose our biggest client, Hyundai Motors.

Before I joined, I had no idea the ad agency was losing money and was going under. I took our Hyundai Motors client out and we had a six-hour meeting over dinner from six o'clock to midnight.

The client was annoyed with the previous management. He told me about all the complaints they

had against the people in the ad agency.

I said: “Look, I just got into this job today. We are going to be different now. I am going to make sure you get the best attention. I will make a promise to you. I will make sure that Hyundai gets the best.”

The client replied: “Alright. We will stay with you.”

I couldn’t believe it. My first day on the job and this happened.

But I knew that the agency had to quickly prove itself. The client had said they will stay with us, but it would be short-lived if we failed to quickly show we had changed for the better.

The worst part of the agency, I discovered, was the team. The temptation for a new CEO is to retrench the existing team and bring in a new team of people who you have worked with before, usually from your previous company.

I didn’t do that for two reasons. Firstly, I wanted to give the existing team a chance and to assess them for three months. The second reason, I later discovered, was because Bates Thailand had been languishing for years and no good creative or account service people wanted to join this agency.
I interviewed all 30 staff one-on-one. When I asked: “Why are you with Bates Thailand?”, they all replied: “Because we have nowhere else to go.”

They also told me the ad agency had failed to win any new accounts in recent years. This was bad news because new business is the lifeblood of any agency. Over time you will lose some accounts, so if you have no new business coming in, you will die.

At that time the ad agency only had 140 million baht in billings and media companies were asking Bates Thailand to pay for advertising space upfront in cash. We had no media accreditation. One of the reasons clients go to ad agencies is because they have media accreditation.

All I was hearing from the team was ‘we don’t have this, we don’t have this, we don’t have this.’ Morale was low.

I was worried, because I was thinking ‘how am I going to get this team motivated to do very good ad campaigns?’.

Bates was weak in Thailand, but the Bates network overall in Asia Pacific was quite strong. One of the leading offices was Bates Hong Kong which was led by, Jeffrey Yu, who later became a good friend of mine. Hong Kong was a highly competitive ad market at that time and Bates Hong Kong was doing great creative work and was recognized as one of the best ad agencies in the region.

I said: “Jeffrey, I need your help. I am going to bring my team over to the beachside resort area of Hua Hin for the weekend and I want you to help me boost their morale by showing them the great creative work of Bates Hong Kong. That will inspire them.”

The Bates Thailand team treated the trip to Hua Hin as party and never took it seriously. They showed up wearing pyjamas and went out drinking and partying. I remember Jeffrey telling me in Hua Hin: “Patee, I think you have a problem.”

And I replied: “No shit I have a problem. Here I am trying to save all these accounts, while at the same time win new ones.”

I gave the existing team three months, but after that I started looking to recruit new people. I would interview people, but no good creative or account service people wanted to join us, so in the end I recruited no one.

Then I got my connection into the Shell Oil company. I met with one of their marketing people and was telling them about Bates Thailand. I mentioned in passing that in addition to advertising, we could do event marketing. She said: “Alright. We are opening a gas station with a new look. Can you help me?”

I worked on the creative myself for this event, which involved writing a song and choreographing dancers. I brought in an outside production company to help me.

We launched the event for Shell and it generated enormous coverage in the media, because no one had ever done such a big dance event for the opening of a gas station. Shell’s top management was there.

Some agencies turn away projects because they think the work is too small, but a key lesson I have learnt is that if a good client gives you work to do, no matter how small, better to do it and do it well. The client will appreciate that you have done this small project for them and it can lead to bigger things. Also, sometimes new clients test you out by giving you a small project to work on first.

The success of the event we did for Shell, became known among all the Shell executives in Thailand and many Shell executives around the region. With the success of that one event, Shell decided to let Bates Thailand pitch against Leo Burnett and Ogilvy for the Shell Helix engine oil account. Helix was one of Shell's biggest brands and we were competing against two of the biggest and strongest ad agencies in Thailand.

I phoned Chris Jacques, the head of Bates in Asia and said: "Chris I need your help here on the strategy planning and on the creative. Bates Hong Kong is already working on Shell for the Hong Kong market. I need their help to give me the knowledge of the products. I also need their creatives to help."

Chris brought in a creative team from Hong Kong to work with me on the Helix launch in Thailand. We created the tagline "We've got the power."

We did a pitch presentation I will never forget, because we took our pants off in the meeting and had written on our asses: "You can be sure of Bates."

We won the account and suddenly we were at the forefront of Thailand's ad industry. Top creative and account service people began applying for jobs at Bates Thailand.

From 1993 to 2004, when I left to join Nok Air, we had increased Bates Thailand's annual billings from 140 million baht to 1.8 billion baht by winning a slew of accounts such as: mobile phone operator DTAC, Heineken, Siam Cement, Siam Commercial Bank, Toshiba (television), some of the Coca-Cola business and part of Nokia to name a few.

We also moved out of the house in Sukhumvit Soi 22 to an office building, One Pacific Place, and our headcount had increased to nearly 300 from 30. We had also expanded the ad agency's service offering beyond advertising to also include direct marketing and PR.

I had endured a major crisis first day on the job. As I embarked on the next phase of my career, I

thought I would be bringing my brand marketing skills to the airline. Little did I know that I would also soon be honing my crisis management skills.

12. Learning About Love, Marriage and Children

I never thought I would get married. I never thought I would find someone who would be with me or could be with me. At Bates, I was working 18hr days and in my office, I had a medical-grade oxygen tank set up. Late at night, I would put the mask over my mouth and nose and inhale deeply.

When you administer oxygen, it immediately makes you alert. It is something I learnt from a friend who worked in casinos. Oxygen is pumped into the gaming room to stop people from feeling tired, and so they will gamble longer. I found that by administering oxygen to myself, I could work late into the night and into the morning.

Even though I never thought I would get married, I did have long and emotional relationships with women.

I am Thai, but the girlfriends I have had were not only Thai women. I have had girlfriends since I started living in the US, so they have been American as well as English and German.

I never thought I would get married, because I am very independent, in some respect very selfish, and I care about my freedom and need my own space. I also travelled a lot.

Then I met ‘Be’ in 2004. In the first ten seconds that I met her, I thought ‘you are going to be my wife’.

I didn’t know why. I just felt it. I didn’t even know who she was. All I knew was she worked for a radio station.

I met Be soon after I started working at Nok Air. The airline had partnered with Love FM, a radio station in Bangkok, to organize a music concert. I was invited to sing on stage with one of the bands.

After I finished performing, I stepped off stage and into a small crowd of media where

journalists were taking pictures and interviewing me. She came up to me, made eye contact and said “look, it was really good”. It was in those ten seconds that I thought ‘you are going to be my wife’.

I spoke to people I knew at Love FM and learnt she was a radio DJ there who worked the 4-7am shift. I was eager to know more about her and see her again, so I asked the radio station manager if he would help me. He agreed to arrange a dinner and to invite her. She came to the dinner, which was an Indian restaurant, but she was unable to stay for long as she had to go somewhere else. But she stayed long enough for me to talk to her and ask her out on a date to the movies.

We went to a Tom Cruise movie about aliens. It was the most unromantic movie you could imagine and my first dinner with her was noodles before the movie.

We started going on more dates. And I also started showing up each day at the radio station at 4am to see her before she started work. I would then wait for her to finish her shift at 7am, so we would go for breakfast together, after which she went home and I went to work.

I did that for nearly a year; wake up at 330am in time to see her at the radio station at 4am. It just shows that when you are passionate and show that you really care, people will respond.

What is important to Thai people is ‘heart’. Is the person caring? In Thailand, beauty is a given. There are plenty of beautiful women in Thailand. You can walk into a room and eight out of ten women will be beautiful.

But beauty very quickly dissipates. Deep down there must be much more than just a beautiful girl. It is the heart that counts. That is what I look for in a woman and why I love my wife.

I also like a woman who has a similar personality to me; someone who is independent, fun loving and not materialistic.

I don’t want her to tag along with me and be dependent on me. She must have her own circle of friends. In fact, my wife has more friends than me.

And they need to be a good mother. Being a good mother is so important for the children, because it is the mother – not just the father – that is a role model for the children.

I proposed to Be a few months after we started dating. I knew I wanted to marry her, so I invited her to a restaurant to meet my parents.

The dinner went well, so on the spur of the moment I proposed to her right there and then in the restaurant. But not in front of my parents. I waited until we stepped away from the table and were alone. However, when I proposed to her, I didn't realise we were both standing in front of the restaurant toilet. There was no ring and no stars in the sky.

It was the most unromantic place to propose to a woman, but fortunately for me she said "yes".

Even though I proposed to Be in 2005 and wanted to marry her, we didn't get married until 2010.

I also did not think we would have kids. It was something I did not think about because I was a bit scared. But Be said she wanted to have children, so a year and a half after getting married we decided to have a child.

Our son DD was born in May 2013 and our daughter GD two years after that. DD in Thai means 'good' and GD means 'very good'. Also, the letters GD in English looks like the short form for 'good'.

I remember when DD came out, I didn't dare to touch him. He looked so fragile laying there.

The nurse had cleaned him and was examining him, to make sure he had five fingers and five toes, then she bundled him up in a small blanket and gave him to me to hold. I had never held a newborn baby before, so was not confident.

Sensing my hesitation, as a newborn father, the nurse taught me how to hold DD and cradle him in my arms. It was an incredible feeling looking at him and seeing all his delicate fine features.

Some newborn babies can look battered and bruised, because pushing through the birth canal head-first can be hard, but DD when he was born looked perfect.

The first night at the hospital, after DD was born, I slept in the same room as my wife and the baby.

But then the next day, I began to worry about DD's safety.

I had a five-year old at home called Kum Kum. I was worried she may become jealous of the baby. Kum Kum is my beagle dog.

I took one of DD's nappies home, while the baby and my wife Be were still in the hospital. I let Kum Kum have a good sniff of DD's nappy, so she should get used to the idea that we would bringing a baby into the home. It worked.

Once we had children, our whole world changed. It has turned out to be the most fantastic element of my life.

Because I left home when I was ten years old, to go to boarding school, I was away from my father for most of my childhood.

It meant that in my adulthood, I thought I couldn't be a father. I didn't know what it was like to be a father. I never really understood fatherhood and how much they worry about you. You think because they can send you away at ten years old, 'what do they care?'

But after I became a father, I realised that they do care. That fathers care so much about their children and that my father truly cared about me. My relationship with my father has really become so much stronger since I became a Dad. When I was living and studying overseas, I hardly ever spoke to my parents. Now I talk to my parents every day.

My wife and I decided we wanted to have two children. I could see that growing up as an only child can be lonely. And I could also see there is a tendency sometimes for people who are an only child, to become spoilt. The fact they are an only child, the parents try to compensate by giving them a lot of material things to play with.

They are trying to make the child happy, but child becomes spoilt and ends up misbehaving even more.

My friend Piya, who has two children, gave me some good advice about parenting. He said: "If you have two children, you become the judge. And they fight against each other. But if you have an only child, you are the one fighting against the child. Better to be a judge."
I think that it is true. Children play with each other and fight from time to time, and we step in as the judge.

But having two children means having to deal with the issue of jealousy. I have seen how the seeds of jealousy among siblings can be sown. The father brings in the first child to the hospital to see the new born baby when all the family and friends are in the room gloating over the baby. The first child sees this and realises they are no longer ‘number one’. I have seen how the first child gets really upset.

What I did was strategic. I made sure that when I introduced my son to baby daughter GD, no one was in the room except for me, my son wife and the baby.

I managed it perfectly. DD loves his little sister and there is no sibling rivalry. Also, I make sure that when my wife plays with our daughter, I give equal attention to our son. It is a balance.

Life and work is also a balancing act and one of the biggest challenges to master. Given today’s technology, it is much easier to stay in contact when travelling for work. I do travel a lot for work, but weekends are dedicated to my family completely. Whatever they want to do we, we do.

As a father I really put in the effort to spend time with them and to raise them. When I was growing up as a child, the fathers relied heavily on women – whether it be the wife, maid or nanny - to raise the child. They had the attitude ‘I will see you when I want to see you’. But times have changed. I see many of my friends are different and are more attentive to the needs of the child.

I would also never send my children at ten years old to boarding school. Going to boarding school makes you very independent and able to adapt quickly to different social situations. But the downside, is it damages the relationship between the parents and child, because both sides learn to live apart.

I want to maintain a close relationship with my children, for them to consult me when they need help and for them to be my close friend in later years when I am old.

13. Learning the Importance of Marketing

People often think marketing is about reaching out to customers, but it is so much more than that.

There are three aspects to marketing – consumers, employees as well as stakeholders. The latter includes shareholders and industry partners.

When you have a company such as Nok Air with more than 2,000 employees, it is impossible to speak to all your staff individually. The only way they will get your message is through the media or by listening to other people who are talking about you.

Marketing is important, because your staff need to feel they are part of something that is really great. They need to feel proud of what they are doing.

Putting the brand out there in the media in a positive way, makes your staff feel proud to be associated with the company. It also means the top talent at other companies will see your marketing and think ‘I want to join this company, because this is an exciting company’.

Marketing is also useful for reaching out to shareholders and industry partners and ensuring they want to do business with you and be associated with your company.

As for consumers, everybody wants to be associated with winners. When it comes to airlines, people want to fly on an airline that is doing well, has a great brand, offers a great experience and does it consistently. Great marketing can shape consumers’ perceptions about the company and motivate your staff to make those positive perceptions of the brand, a reality. In that sense, the perception becomes the new reality.

When you have great marketing, it brings in the business and you will get a big return on your marketing dollar.

But sadly, there are some people who only see marketing as a cost item on a balance sheet.

When the company is not doing well, often marketing is the first to get cut. Reports in the media, however, about cost cutting, creates the perception that the company is weak. This perception becomes your new reality. Your employees will want to resign and go elsewhere, because they don’t want to be working for a weak company that is not cool anymore.

And your customers will refrain from using you, because they don’t want to spend money with a company that is not doing well.

Marketing is important because it builds a positive perception of the brand that in turn makes people want to be associated with the brand whether they be consumers, employees or stakeholders. Create the right perception and everything else follows.

If you look at low-cost airlines today, they operate very similar aircraft – either Airbus A320 or Boeing 737 – and the inside of the aircraft looks the same or very similar. But one way to differentiate is through the perception of your brand.

It is also important to think about customer service and the various 'touch points': times when the customer experiences your brand. This will have a very big impact on how people perceive your brand and what they say about you later. One airline I was very impressed with, was Virgin America because they created a unique customer experience that was in keeping with Virgin's image as a 'fun' brand.

When I flew Virgin America, my initial perception – thanks to their marketing – was that Virgin America is a cool airline. But that perception was reinforced when I flew them. All the touch points were spot on. When I checked in, I saw their branding behind the check-in counter and said to the Virgin staff 'wow, what a cool colour'.

When I entered the aircraft cabin, they had colourful lighting inside. That was the second 'wow'.

The third 'wow' was when we became airborne and scented perfume came through the cabin. I thought 'this is cool'.

Then when we arrived, all our bags came on time. That was the fourth 'wow'. All the touch points lived up to the customers' expectations and were in keeping with the brand promise. It was cool all the way, and I thought 'I want to fly Virgin again.'

But to deliver a great customer experience, you need to have great staff and they need to know how to deliver on the brand promise. That is why at Nok Air, I took the time to meet with new recruits and was involved in cabin crew training. I wanted to make sure our staff knew how to deliver on our brand promise.

That is not to say that there won't be issues that will impact on the customer experience. At Nok Air, we faced lots of issues.

We found though, that when we encountered problems, we could turn it into positive media opportunities. If there was a flight delay, I would get very involved on social media. We would reach out to people on Twitter and Facebook when they had issues. You need to ensure though that whatever perception you create, in other words the 'brand promise', it becomes a reality.

Through marketing, we positioned Nok Air as the airline that cares about people, as encapsulated in the tagline 'We Fly Smiles'.

Our staff could see what we were communicating in our advertising and strived to live up to that brand promise.

We also spent money on staff training to make sure we delivered on the brand promise. We created a unique passenger experience that helped to differentiate us from the competition.

I also learnt from my time in advertising, doing work for brands such as Heineken, that consumers are willing to pay 10-15% more for a more desirable brand.

For your marketing to achieve that premium for your product or service, you need to make sure consumers develop an emotional attachment to your brand. Likeability is important. I could show you two cars that are the same, but one is BMW and the other is Mercedes-Benz. What will sway you is emotions - what you feel about each brand.

At Nok Air, we worked to develop that emotional element by striving to be the airline that 'touches peoples' hearts'.

When we analysed the market and what the competition was doing, we could see that Thai AirAsia was trying to apply the European low-cost carrier business model to the Thai market. But Thais are different to Europeans and the low-cost carrier business model was completely foreign to them. Thais expect service. It doesn't have to be full-service, but they expect some level of service beyond what the European low-cost carrier model offers.

Therefore, we differentiated Nok Air by offering a better standard of service. We provided a free snack and drink to each passenger. We had 15kg free check-in luggage for each passenger. Free check-in luggage is important in a developing Asian country such as Thailand, because many people are flying to visit family and friends. They come with many gifts for the family and

friends.

We also differentiated Nok Air by offering convenient distribution channels. The European low-cost carrier business model is all about booking air tickets through the internet using credit cards. But in 2004, when we launched Nok Air, internet penetration was still low in Thailand and very few people had credit cards. We had ticket booths where people could buy tickets. We also did a tie-up with banks and 7-Eleven where people could go pay for their air ticket. We were the first to do that in Thailand. It meant we had a virtual monopoly for a while – in terms of that distribution channel – until our competitors decided to follow us and do the same.

When internet mobile penetration took off in Thailand later, thanks to the advent of 'smart phones', we were the first in Thailand to introduce mobile payments for air tickets.

We were also the first to tap Apple watches as a new sales channel for booking air tickets.

It is important for brands to constantly innovate and stay three steps ahead of the competition.

14. The Nok Hunt Show – How to Build Excitement for the Brand

We announced in February 2004 that we would be launching. But our first flight would only be in July, so we needed to find a way to generate excitement for the brand in the lead up to the first flight.

Our vice president of marketing, Pinyot Pibulsonggram, came up with the idea to do a television show.

I asked him: "What can we do to promote the brand that will be quite fun?"

"Why don't we do a search for air crew and do it on TV? That will add some spice to the whole thing," said Pinyot.

I agreed it was a good idea, so Pinyot contacted a producer he knew at Thai free-to-air station TV3, the most popular television station in Bangkok.

We bankrolled the program on the proviso we would offset some of the cost of sponsorship if the TV station succeeded in getting advertisers.

Nok Air established a cabin crew recruitment station in Bangkok's central shopping district. We then announced in the media that whoever wants to be a Nok Air cabin crew – and be on TV3's Nok Hunt television program – could come to the recruitment station to apply.

There was a huge response; we had thousands of girls coming in to apply.

Each TV episode featured a group of contestants who had to complete a series of challenges to test their aptitude for: teamwork, problem solving, customer service and ability to entertain.

We wanted aircrew that had a personality. Entertaining passengers was important to the job because when there are flight delays – in order to keep the passengers happy – we would entertain them with singing on board and quizzes where we give away free air tickets. We would do whatever we could to appease passengers when we had issues, such as flight delays.

The Nok Hunt TV show only ran for one season, but it was a big hit with viewers. People who watched the show were encouraged to call in to vote for who they thought would make the best Nok Air cabin attendant.

The program established our brand even before we had our first flight.

We also made working as a Nok Air cabin crew an aspirational career choice.

We then came back in 2014 with the Sky Angel program that aired on Thailand's Channel 7 for two seasons. Season one aired on Sunday afternoons, the peak viewing period.

It proved to be hugely popular and the winner of season one, Koi Korakod, went on to become a Nok Air cabin crew. The show also launched her acting career, so now she flies as well as stars in Thai television drama shows.

Koi asked me if it would be alright for her to work as an actor and continue to work for Nok Air. I said it was alright as long as it does not conflict with her flight schedule. She is now a star, and when she works as Nok Air cabin crew, she posts images on her Facebook and Instagram, so it helps promote the Nok Air brand.

Sky Angel was different to our earlier show, Nok Hunt, because we deliberately searched for

women who had the aptitude to be cabin crew, but because of their social circumstances may never had thought before to apply as air crew. When girls apply to be on Sky Angels we never judge them based on their work history, but rather their aptitude for the job. It means we have had girls from very poor families who have ended up becoming successful cabin crew. In that sense, the show Sky Angel has helped to transform some girls' lives.

In Thailand, and other developing countries in Southeast Asia, being cabin crew is quite a sought-after job and is aspirational.

We also produced a Sky Angel program for the Myanmar market, where we searched for cabin crew for our flights to Myanmar.

In both the Nok Hunt and Sky Angel we always searched for women that showed sincerity and had a 'good heart'. I believe these are key qualities that are important to Thai people and can make a person a good flight attendant.

As CEO, I would take the time to visit our cabin crew training centre and address each group of trainees.

I would tell each group: "Training is one thing, but it is putting 'heart' into service that is important. At the end of the day, you can smile as much as you want but if your smile is not sincere it will not work. You need to train yourself to think about what is good customer service and how you would like to be treated if you were the customer? You also need to remember that many of our passengers have never flown before, so they may not understand why they need to turn off their mobile or put on a seat-belt. Think about how you would like to be treated if you were the passenger. That is key."

15. The Princess – How to Launch a Brand in One Day

We had Her Royal Highness Princess Maha Chakri Sirindhorn preside over the launch event for Nok Air, which was held on 22 July 2004 inside a Thai Technic hangar at Don Mueang International Airport.

The Princess, who is the second daughter of the late-King Bhumibol Adulyadej, is revered by

Thais. She has followed in her father's footsteps by supporting charities and doing community projects, particularly in rural parts of Thailand.

It wasn't difficult to get her to be guest-of-honour. I have known the Princess since I was a kid and she also presided over my marriage in 2010 to Bee.

My mother is related to Rajawongse Sirikit Kitiyakara, who is the Queen Mother.

Also, the Crown Property Bureau, which manages the monarchy's property and investments, was at the time a 5% shareholder in Nok Air.

It was very exciting having the Princess at the launch. Her presence meant we achieved maximum media exposure across the country. The strategy behind having her officiate, was to highlight – in consumers' minds – that Nok Air was the first 'real' Thai low-cost airline. We are fully-Thai owned and Thai-run.

The Princess' endorsement of Nok Air immediately gave us strong brand awareness across the country and a strong positioning versus Thai AirAsia, which was 49% foreign owned.

You only launch once and when you do your product launch, the aim is to achieve in one day, maximum awareness for your brand and to gain the correct position in the market for your brand. We achieved both for Nok Air that day.

At the launch, we also unveiled a Nok Air aircraft painted in a special purple livery.

We did that to please Thai Airways, as the colour purple is synonymous with the national carrier.

But the choice of colour, for the main body of the aircraft, was a one-off. Nok Air's aircraft are painted to look like a bird. On the front of the aircraft, we have painted a smiling face of a bird. The aircraft's nose is painted as a bright yellow beak.

When people see the livery our aircraft, they are immediately drawn to the yellow beak painted on the nose as well as the aircraft's tail which has the company logo.

But they forget what colour the main body of the aircraft looks like. We have no set colour for that. We have some painted as: blue, green, red, yellow, pink, *etc.* We even have some painted

red and black to look like the colours of a clown fish. So we have a very colourful assortment of flying birds.

It means people keep looking at our aircraft to see what colour is the fuselage. Because they keep looking at our planes so often, subconsciously, it gives the impression we have a lot of aircraft, when in fact we have fewer than our main competitor. The power of clever marketing is it can make your brand and company seem bigger than it really is.

Our unique aircraft livery gets people excited. People love to take pictures of our aircraft and post it on social media where it becomes a point of discussion.

I have to credit Bates Thailand's creative director, Alex Beuchel, and Bates' design team for executing so well. When I briefed Alex, I told him to come up with three concepts for the livery. I said: "I want one that is really conservative, one that is medium and one that is extreme. I will make a decision when I see them."

I chose the extreme one, obviously, because I thought it reflected the personality of the airline's brand.

16. Push into China – Why the China Market Is Important

Nok Air launched air charters to China in 2007, well before Thai AirAsia.

It came about because Thai company Dreams had been chartering aircraft from Orient Thai Airlines, but wanted a change so they approached us.

Orient Thai is a Bangkok-based carrier that was, at that time, run by Thai businessman Udom Tantiprasongchai.

Orient Thai operated Boeing 747-200s. It had a scheduled service between Bangkok and Hong Kong, but its main business was charter flights into mainland China. It also did Haj flights to Saudi Arabia.

Udom is Thai, but of Chinese descent. He speaks fluent Chinese, because he was educated in

Taiwan.

He is a very smart businessman who was able to penetrate the China market early because he spoke Chinese and understood the Chinese culture. There are many people in Thailand who are of Chinese descent.

Dreams called on us and we decided to operate charter flights, on their behalf, into mainland Chinese cities such as Nanning, Nanjing and Guangzhou.

I went to China several times to see the Civil Aviation Administration of China (CAAC) and to get them to recognise our Thai air operator certificate (AOC). We successfully launched charter services to China, but we had an incident where one of our aircraft landed on the wrong runway.

That incident, coupled with the fact our flights into China were prone to delays, led the CAAC to suspend us. We then had to put in a lot of effort to get reinstated. We were finally reinstated but by that time, Thai AirAsia had already announced plans to launch flights into China, so we lost the first mover advantage.

Nok Air today still does have charter flights into China, but it is a relatively small part of Nok Air's business.

It is important, however, to have a presence in China which is now the biggest source of tourists to Thailand. Mainland Chinese, when they venture overseas for the first time, often choose Thailand because it is a short flight away and our tourism industry can support the influx of Chinese tourists. Many come to Thailand, because they have never seen a beach before and they like the shopping in Bangkok.

The mainland Chinese coming to Thailand, are usually part of tour groups organised by mainland Chinese travel agents. But I believe, as the market matures, we will see more Chinese coming to Thailand as independent travellers rather than as part of tour groups. That will be good for Thai carriers and hotels, because the margins are higher catering to independent travellers.

The fact Thailand has a sizeable community of Thais of Chinese descent, some of which speak Chinese, also helps Thailand to cater to the China market.

Ethic Chinese have assimilated very well into Thai society.

I think they have assimilated well, because there are similarities between the two cultures – such as the Buddhist religion – and the Thai monarchy and successive Thai governments have promoted assimilation.

It was the Thai King Rama IV who, in the early 19th century, passed legislation requiring that Chinese residing in Thailand adopt Thai surnames. The King's rational was that 'we will give you a Thai name, so there's no difference. You will be Thai. We are all Thais.'

I believe the move to adopt Thai names, helped to assimilate ethnic Chinese into Thai society. It does away with the distinction between the two.

My family on my father's side, is of Chinese descent. My great grandfather was born in China and came to Thailand as a pilgrim. He became a doctor and went on to study medicine at Columbia University, becoming the first doctor from Thailand to study medicine at that university.
He then returned to Thailand and became the physician to Thailand's King Rama V who reigned from 1868 to 1910.

The king paid my great grandfather for his services, not with money but with parcels of land. The king also gave my great-grandfather his Thai surname, Sarasin.

I don't even remember what our Chinese family name was. Also, Thai people of Chinese descent don't see ourselves as Thai-Chinese. We only see ourselves as Thai.

Our family also don't practice any of the things associated with Chinese culture. The only exception is *feng shui*, but that is because Thai culture has adopted *feng shui*. Many Thais believe in *feng shui*, but I would say we are not firm believers in it. *Feng shui* does, however, make for some interesting discussions among Thais. Some Thais, for example, talk about how the Thai Airways headquarters has bad *feng shui* because it is a cluster of office towers that have sharp edges that face onto each other. In *feng shui*, sharp edges represent a knife and negative energy.

I also don't speak Chinese, although I did try to learn the language in 2016, because we were speaking to potential investors in China at the time.

Thailand's CP Group, which does a lot of business in China, introduced us to a company, linked

to Zhengzhou Government, that wanted to partner with a Thai carrier to open air links between Zhengzhou and Thailand.

We met with the Zhengzhou Government several times and were going to bring the Chinese government-linked company in as a shareholder, but then the other Nok Air shareholders decided to keep the business wholly-Thai owned.

17. How to Deal with a Financial Crisis

Nok Air was on the brink of financial collapse in late 2008 due to sky high fuel prices that caused the airline's financials to spiral out of control.

We had already been losing money in 2007, when crude oil prices were around US$70 a barrel, but the higher fuel prices in 2008 exasperated the problem. It reached the point that in late 2008, when oil prices topped US$140 a barrel, we were on the brink of collapse.

The airline was losing three million baht a day, a lot of money for a small privately-owned carrier, and we only had enough cash left to last a few more weeks.

I remember being in an elevator alone with Piya and asking him "what are we going to do?"

We had no answer.

The then-chairman of Nok Air was Dr Vichit Suraphongchai, who was also chairman of Siam Commercial Bank. He is one of the best chairmen the airline has ever had. I see Dr Vichit as a mentor. I think he is great, because he is very direct and decisive.

We briefed Dr Vichit and the board on the airline's precarious financial situation. Dr Vichit said: "Look, we're not going to give you any money. We are not increasing capital. We're not going to loan money. If you die, you die."

Hearing that was a real shock to us.

Dr Vichit then continued: "What you have to do is talk to the lessors. You tell them that we will pay for what we have used, we are not running away. But you also tell them that if we don't use

the aircraft, then we will not pay you. If the airline collapses, you will not get anything from us."

I thought: 'How is this going to work?'

At that board meeting we also discussed our route network. One of the reasons we started making losses in 2007 was because we launched services to India and Vietnam, our first international flights.

India had seemed like a good idea at the time. The traffic rights had suddenly become available and we were given the rights to fly from Bangkok to Chennai and Bangalore.

We had done a market analysis and knew there was strong passenger demand on the India-Thailand sector, because many Indian nationals like to come to Thailand for resort holidays and to go shopping in Bangkok. We also thought that launching services to India was a good way to increase our aircraft utilisation, because we could fly our aircraft there and back at night.

We ran a marketing campaign where we positioned Bangkok, in the minds' of Indian consumers, as one big shopping mall.

With hindsight, I think our decision to launch services to India and Vietnam simultaneously was a mistake driven by our ego. We had some early success with the airline and thought we could achieve anything. We should have been more focused. The mistake we made was we tried to do too much at once.

Launching services to India proved to be a very costly mistake. We only attracted low yield traffic on the India route and all the traffic was from India. There were very few Thais travelling to India.

We also had the wrong aircraft for the route, Boeing 737-400s, and the airline had yet to achieve extended range twin engine operations (ETOPS) status, crucial to have if you are to fly over water. No ETOPs qualification, means you are required to fly your aircraft within close range to shore, adding hundreds of kilometres to the journey.

We had a board meeting where we were told to cut India and Vietnam from our schedule completely and to do it immediately.

Piya didn't want to cut services to India.

He said: "We can't stop India. We need to maintain it and continue to drive it."

But Dr Vichit was adamant. "No. No India. Shut it down or you will die."

We calculated that even with the closure of the loss-making services to India and Vietnam, we would still be in the red and go under.

After the board meeting, the management team assembled at my home. We sat at a large dining table and worked on a business plan to save the airline. The TV mounted on the wall, facing the table, was playing CNBC. It was very late at night, so the US news broadcast was on. As soon as we finished our plan to cut costs, we would see that oil prices had increased again.

"We are losing money again with this new fuel price. What are we going to do?", I said.

No one had an answer.

"I am going to halve my salary and you will too," I said. "We'll tell our staff that we have halved our salaries and that we need to reduce the headcount by 500. But we will need to help find jobs for the 500 affected staff. We will set up a special office in the human resources department, which will be tasked with helping them to find jobs. We will write recommendations for them. This will help make sure they find new jobs elsewhere."

After we announced to the staff that the management team had halved its salaries, the staff all volunteered to reduce their salaries by 10%. It was a real surprise to the management team and it helped the airline. But a 10% reduction in staff salaries was insufficient to save the airline or to save the 500 jobs.

What saved the airline was a fluke.

After axing our international air services, cutting salaries and reducing the workforce by 500; we were still losing money. We were only days away before we would run out of cash.

But then suddenly in September 2008 Lehman Brothers collapsed in the US and the world was gripped by a global financial crisis.

It was the global financial crisis that saved Nok Air, because oil prices suddenly plummeted.

The lower fuel prices coupled with the other cost savings we had generated meant we were suddenly back in the black. By then we had also negotiated a better aircraft lease deal with our main lessor GECAS. I have to credit GECAS' David Settergen.

This was the very first time we had gone back to lessors to renegotiate an earlier deal. David, surprisingly, was very good and helped us. He said: "You pay for what you have used already, but this is what we will do to help you going forward." The strong business relationship between Nok Air and GECAS was built by David who we trust completely.

It meant, when we recovered from our financial predicament and were able to lease more aircraft, we leased mostly from GECAS. The fact that they helped us, in our moment of need, proved to be good for us and for GECAS.

I also realised from the financial predicament in 2008, how important it is to have a good board of directors. Our chairman really helped us to come up with solutions to our problems and taught us to work more efficiently with what we already had.

The lower cost base we created, coupled with lower fuel prices, meant our business flourished. We were profitable from end of 2008 through 2013. We were profitable five years in a row, but the near-death experience in 2008 meant we were humbled.

18. Red Shirts Versus Yellow Shirts – Why It Is Important to Stay out of Politics

Thai politics, in recent years, has been divided into two political camps – the 'yellow shirts' and the 'red shirts'. The latter supports Thailand's former prime minister, Thaksin Shinawatra, who was ousted from power in 2006 by a military coup. Thaksin later fled the country and is now living in exile in Dubai.

Political tensions in Thailand, between the 'yellow shirts' and the 'red shirts', came to a head again in late November 2008.

The ‘yellow shirts’, upset with the newly-elected ‘red shirts’ government, suddenly shut-down Bangkok’s two airports in protest, resulting in mayhem.

Hundreds of thousands of travellers suddenly found themselves stranded in Bangkok.

I remember that day very clearly. The media announced that the ‘yellow shirt’ protesters were planning to close Don Mueang International Airport. Within a few hours of that announcement, waves of protesters started coming into the terminal building. There were airport workers who were ‘yellow shirt’ supporters, so they led the airport shut-down.

We decided it was better for Nok Air to leave its airport offices and relocate the headquarters to a nearby hotel. Then we hastily convened a management meeting, in our makeshift office at the hotel, where we discussed our strategy for moving forward.

Piya said: “We have to take the planes out.”

And I responded with: “How are we going to take the planes out? What’s our strategy to get them out and where are they going to go?”

We decided we would station our aircraft in U-Tapao Airport. It was considered a safe place, as it was outside of Bangkok – where the protests were taking place – and it was a naval military base.

I remember in the meeting, Capt Sanjai said: “Let’s steal our aircraft out.”

It was rather audacious, but that is what we did. We needed to save our planes. We were worried that if we left them at Don Mueang International Airport, the protesters may damage them.

The strategy we employed was to create a diversion. I went to the airport and met with the ‘yellow shirt’ protest leaders. They thought I was there to negotiate, but I was really a decoy. While I was talking to the ‘yellow shirt’ leaders outside the front of the terminal building, some of our ground personnel and pilots were at the back of the terminal building getting ready to push our two aircraft out of the gate.

I said to the protest leaders: “Look, Nok Air is not political. We are at peace here, but you are disrupting the services of the people.”

But as soon as the aircraft pushed back from the gate, some of the yellow shirt protestors inside the terminal building saw what was happening outside.

I later heard from our personnel, that as the two aircraft were taxiing towards the runway, there were yellow shirt protesters chasing after the aircraft on foot.

We had coordinated with the Thai air force, in charge of air traffic control at the airport, so their air traffic controllers gave our pilots approval to take off.

Then there was an announcement over the terminal speaker system that the planes had taken off. As soon as that happened, I said to the protest leaders: “Ok, I’ve got to go.” And I literally ran off. It was quite crazy, but our trick worked.

Our planes were now stationed in U-Tapao Airport and we were helping people to escape Thailand. Word quickly spread, thanks to social media, about our special flights out of U-Tapao. We were operating full flights and helping people to escape to Singapore, Kuala Lumpur and Hong Kong.

The lesson we learned from that exercise was how important careful planning is to ensure you execute successfully on a project. We also limited the number of people involved in this exercise. And each person involved had clearly defined roles and knew what their responsibilities were.

I think that was one of the best examples of team work that we did. We were one team back then.

The events of November 2008, also reinforced in our minds, how important it is for businesses to keep out of politics. Some people, at that time, incorrectly thought Nok Air was aligned with the ‘yellow shirts’, because my father, Arsa Sarasin, was then-principal private secretary to the Thai king, Bhumibol Adulyadej. The ‘yellow shirts’ are staunch royalists.

But at Nok Air we have always remained neutral when it comes to politics. We refrain from taking sides. Our point of view has always been that we are all Thais. In fact, during the political protests in Thailand in 2008, we had ‘red shirt’ and ‘yellow shirt’ protestors on our flights. The red shirt protesters, for example, were mostly coming in from the north of the country, a Thaksin stronghold, to participate in political rallies in the capital.

In business, it is better to remain neutral when it comes to politics because you can never predict which way the political winds will blow. I know some business leaders believe that they need to become involved in politics in order to protect their business interests. But being involved in politics can prove to be a liability.

I think Thai AirAsia's business suffered in its earlier years, because it was so strongly associated with Thaksin Shinawatra. Thaksin's company Shin Corp. established Thai AirAsia in early 2004 in joint venture partnership with AirAsia of Malaysia. Shin Corp. owned 50% of the airline. It then exited the business in early 2006 by selling its stake, but it took a long time for that association with Thasksin to dissipate. Thaksin is a very divisive character in Thai politics, so I think some Thais embraced Nok Air, because they didn't want to fly an airline associated with Thaksin.

19. Nok Mini – When Is the Time to Change Strategy

The losses in India made us rethink our strategy. What are we going to be as an airline? We decided we would focus on being the 'number one' domestic airline In Thailand. The thinking inside the company was, 'let's conquer the Thai domestic market first, before we consider launching international services again.'

The airline's near-death experience in 2008 meant that we had drastically reduced our fleet. We went from 10 aircraft, prior to the global financial crisis, to only three aircraft in 2009. But from 2009 to 2013 we expanded and went from three aircraft to 12.

The plan was to have the biggest network in Thailand.

Sometime in 2009, the owner of Thai turboprop operator SGA Airlines, Jain Charnnarong, approached me. He wanted his outfit to become a feeder airline.

The idea of having a separately owned feeder airline serving a mainline carrier was a completely new concept in Southeast Asia. I had gone to university in the US and knew the concept was commonplace in North America, but no one was doing it in Southeast Asia.

Jain wanted to team up with Nok because he valued the strong brand that we had created and our strong sales distribution channels. He was a very small outfit, with very low brand recognition, so there was no way he could replicate the sales distribution network we had. He also lacked the marketing dollars to create a strong recognisable brand, something that is so important in creating a strong business.

SGA had a base at Don Mueang as well as Chiang Mai and was operating 31-seat Saab 340s.

Jain's airline was flying to destinations in Thailand such as Pai and Loei that no one else was serving, because his turboprop aircraft could land and take off from shorter runways. He had a network that complemented ours perfectly. We saw the tie-up with SGA Airlines as one of the ways we could ensure that our airline had the biggest network in the country.

The key selling point for me was, if we want to be number one in Thailand, we must have the biggest network. Not every airport in Thailand can take 737s; as there are many smaller airports with short runways.

We told Jain, 'you continue to invest in your turboprop operation and we will let you use our brand and sell through our distribution network and booking engine'. To differentiate the feeder airline from Nok's 737 operation, we called the turboprop operation Nok Mini.

The deal was good for Nok Air, because there was no investment required on our part other than including Nok Mini and its flights in our booking engine and marketing materials. But we gained a share of Nok Mini's revenue.

The arrangement worked well to begin with, but Jain became unhappy over time because his airline was losing money. We offered to buy him out, but he wanted more money and turned to Thai AirAsia to try and get a higher price. After that, we immediately cut ties with the feeder airline. Jain was unable to reach an agreement with Thai AirAsia either, so SGA Airlines closed in late 2014.

We then worked to fill the void by ordering 86-seat Bombardier Q400 turboprop aircraft. It was a much larger aircraft than Saab 340s, but we could fill it, because the Thai domestic passenger market was growing.

The Q400 is the largest commercial turboprop aircraft in the market. We were the first airline in

the world to take delivery of the 86-seat version which was the new, larger variant and different from the standard 78-seat Q400. Having more seats in the aircraft was important because it reduced the ASKs, which refers to the cost of each seat per kilometre.

Piya and myself also came up with a plan to eventually replace some of our 737s on domestic routes with Q400s. We felt we could convince people to fly on the Q400 because we had a strong brand. Some people think jet aircraft are better than turboprops, but we found that when people flew on the Q400 their perception of turboprops changed and people were generally very happy with it.

The cost of operating turboprops is so much cheaper than jet aircraft and we could win over passengers by offering more flights per day. This would free up the 737s to launch international services.

But we were slow to launch international services, which later proved to be mistake when we faced increased price competition in the domestic market.

20. Bangkok Floods – Dealing with a Catastrophe

Starting in July 2011, many parts of Bangkok including Don Mueang International Airport were flooded, making it the worst flooding in the city has ever experienced.

The team at Nok Air had known for weeks that it was only a matter of time before Don Mueang would be inundated. But we were unable to predict precisely when the flood water would reach the airport. Before Bangkok flooded, there were already towns and cities in northern Thailand that had flooded.

A few days before the flood waters came onto the runway, I had taken a motorcycle ride over to the far side of the airport and saw that sandbags had been placed there to keep the waters at bay. But already then, I could see some water was seeping in.

We waited and waited. Then on October 25 the call came in. “Hey Patee, water is coming into the airport.”

The management team held an emergency meeting where we decided to fly our aircraft out immediately and move our operations next day to Bangkok's other international airport Suvanabhumi Airport.

We only had 24hrs to make the move and we aimed to operate 60% of our schedule next day at the new location.

It was already afternoon by the time the flood waters caused Don Mueang airport to shut-down, so we had completed our morning flights that day. But we had to cancel all the afternoon flights. By the afternoon the airport had become a lake.

We had one team handling the passengers arriving at Don Mueang to tell them that their flights were cancelled and they would fly out next day from Suvarnabhuimi Airport.

We had another team at Suvarnabhumi Airport making sure we could operate from there the next day. We had to secure takeoff and landing slots and update our IT system, so the flight records would show Suvarnabhumi Airport instead of Don Mueang. Our PR department quickly issued a press release announcing the move to Suvarnabhumi Airport.

Some of our staff who live in and around Don Mueang had their homes flooded, so we paid for hotel rooms for them and their families.

On the first day at Suvarnabhumi Airport everything went well. I remember thinking everything was easier than I expected it to be.

On the second day, I was busy helping with the flood relief effort in the streets of Bangkok, so I was not at Suvarnabhumi Airport. But then I suddenly got an urgent call at night from one of our ground staff.

"Patee you better come to the airport now. It is totally messed up here. Everything has gone wrong and we have screaming passengers. They are shouting at the check-in staff."

I quickly hurried to the airport still wearing my shorts and flip flops. I arrived at around 9pm. As I walked airside to the departure gates, I could see crowds of people. There were hundreds of irate passengers and some were screaming at our ground staff.

I went up to our ground staff: “Hey. I am here.”

And I remember the passengers turned to me and said: “That asshole is here.”

Then I thought: ‘Oh, no. I have walked right into this mess.’

There was no time for meetings to discuss the issue, I remember I was standing there at the crowded departure gates talking to our team: “We have to find a place for these people to rest.”

I called Piya and said: “Piya, open the Bangkok Airways lounge for us please. We have young children here and everyone is so emotional. We need to find a place for these people to rest first, while we are sort out the aircraft.”

Piya called his contacts at Bangkok Airways who allowed Nok Air to use their lounge. I told the passengers: “Please go to the lounge first and rest.”

Everyone said: “Good. But we’re hungry, we’re hungry.”

I said: “Alright, you can buy food at the airport. Just give me the receipts and I will reimburse you in cash.”

Of course, everyone came up to me later with receipts and saying: “I want money for this receipt, that receipt.”

I paid out with my own money. I went to an ATM at the airport and took out all my money and paid for the food myself personally. I could sense people were now becoming a bit happier. Everyone was calm and sitting in the lounge eating food paid for by me.

That bought us some time. I then went up to our ground staff and said: “How many planes do we have available for each destination?”

The reason we had a problem at night was because there were so many disruptions and delays during the day. The problem compounded throughout the day to the point where at night the flight delays were so long. People were afraid their flight would be cancelled and they would be stuck at the airport.

I had to reassure the passengers by telling them “you are all going home.”

We had explained that the problem was caused by the floods, but they retorted “We know about the flood, but we don’t care. You get us out of this fix.”

I took charge. I became the one directing the ground and flight operations that night at Suvarnabhumi Airport. I was directing the planes going in and out. By the time we finished, it was 3am.

The key lessons from that crisis is that the you have to be flexible, sensitive to people’s needs and the CEO has to take charge and take responsibility. The passengers in the end were appeased and they did appreciate the fact that I, as CEO, was there with them, in the middle of it all, helping them and helping to solve the problem.

I was still getting messages months later from people saying “we really respect that you were there. We will be coming back as your loyal customer.”

And this is from people who endured a three to four hour flight delay with Nok Air. It is not the crisis that you will be remembered for, but how you deal with the crisis.

21. Don Mueang Dance Party – Lesson in Guerrilla Marketing

Thai AirAsia announced in June 2012 that it would be moving its base from Suvarnabhumi Airport to Don Mueang International Airport with effect from 1 October.

Nok Air had been the only major airline operating at Don Mueang International Airport, something that was quite advantageous to us as this airport is more convenient. It is closer to the city-centre than Suvarnabhumi Airport.

Our staff were concerned about having our major competitor, Thai AirAsia, operating from the same airport. There were also news reports that national airport operator Airports of Thailand had given Thai AirAsia generous financial concessions to move over.
Staff at Nok Air were wondering ‘what is airline management doing about it? What is Patee doing about it?’

I could see that if we stood idly by and let Thai AirAsia waltz into Don Mueang International Airport without doing anything, it would be bad for morale. There was no way we could stop Thai AirAsia from using the terminal, so we concocted a covert operation that would prove to be a real morale booster.

Thai AirAsia decided to stage a fashion show on October 1 inside the departure hall of Don Mueang International Airport. Their event had the full backing of Airports of Thailand.

We told the airport operator that we too wanted to have an event on October 1, but ours would be much smaller. Ours, officially at least, was a joint announcement with Krung Thai Bank to unveil a new iPad application we had developed.

But the real purpose of our event was guerrilla marketing. We were going to make use of Thai AirAsia's event to promote Nok Air.

We hired professional dancers and singers and have them wear Nok Air uniforms, so they could blend in with our regular check-in and customer service staff at the airport. Our staff didn't know that the new recruits, that showed up that day at the airport, were professional performers. During our event, we started to play the song *Without You*. We had set up loudspeakers throughout the departure hall, so the music could be heard everywhere.

The song *Without You* is by David Guetta, but we reproduced the whole song and recorded our own version, so it would be royalty free.

I started singing the song in the terminal on my own, with mic in hand. Then all through the departure hall our team of professional performers emerged singing and dancing in unison with me.

We captured everyone's attention that day. Our performers were even making their way through the audience of the Thai AirAsia event and getting that audience to dance and sing to our tune.

Our guerrilla marketing tactic made the news in Bangkok and was also big on social media. People in the departure hall took pictures and posted it on their Facebook, Twitter and Instagram. What we did was of enormous value to us, because it was a big morale booster. Our staff were no longer worried about Thai AirAsia.

The lesson learnt from that experience is that as a leader, you need to be seen to be leading from the front. Also, when you do a public event, everyone sees it. I am sure there were Thai AirAsia staff at the airport that day who thought 'Nok Air is a really cool company. I'd like to work for Nok Air.'

22. Why Doing an IPO Is a Mistake

Nok Air listed on the Stock Exchange of Thailand on 20 June 2013 following a successful public offering that valued the airline at around US$530 million.

The management team at Nok Air, from the very beginning, had always intended to do an initial public offering (IPO). It was just a question of when.

We were unable to do it before 2009, because the airline was either too small or was losing money.

We hired Vitai Ratanakorn as chief financial officer in 2011. He had experience doing successful IPOs and we hired him to drive that process forward for Nok Air.

In 2013, after four consecutive years of profit, the time was right.

The sale of shares in the IPO raised US$156 million, much of which was invested back into the airline, so it could expand.

I owned 5% of Nok Air and sold a 1% stake via the IPO, but I had to hold onto most of my shares. Under Thai law, CEOs of newly-listed companies must remain in place for three years following the IPO. It was also difficult for me to sell my shares, and be seen to be 'selling out', because that would have involved making a public declaration to the stock exchange.

I didn't know that going public would dramatically change how the company is managed. Everything becomes about compliance and audit committees.

The compliance requirements are massive, and the procedures are never ending. You are also unable to do anything to surprise your competitors, because everything must be reported

beforehand to the stock exchange.

You are also constantly reminded that you are responsible for public shareholders' money.

I noticed a substantial change in the mindset of the board members after we did the IPO. The board members became tense, cautious and conservative.

The lesson I learnt from doing an IPO, is to never do an IPO. As CEO of a public company, the business becomes more bureaucratic and unwieldy. I no longer felt I was so in control of the company.

Running Nok Air was no longer fun for me. The fun element is important to me, because when I do things, I like to have fun.

23. NokScoot – Why Partnering Can Be Good Business

AirAsia announced in September 2013 that it would be launching Thai AirAsia X, a long-haul low-cost carrier based in Bangkok.

Low-cost airlines operate narrowbody aircraft that have about five hours flight range, but long-haul low-cost carriers, such as Thai AirAsia X, operate larger aircraft – widebodies - that carry more fuel, giving the aircraft far more range.

Our narrow body aircraft can only fly for about five hours, which is enough range to cover Southeast Asia and southern India and southern China. Our aircraft, however, lacked the range to fly to northern China, Japan and South Korea.

These three countries are a big source of passenger traffic to Thailand. Mainland China in fact is the biggest source of tourists to our country. Many Japanese and Koreans also come to Thailand for business and for holidays. And Japan and Korea are two of the most popular overseas destinations for Thais. With effect from 1 July 2013, Japan granted Thais visa-free status, leading to a massive surge in passenger traffic between the two countries.

The limited range of our narrowbody aircraft, meant Nok Air was missing out on these large,

growing markets. We were reticent, however, to venture into the long-haul market alone, because operating widebody aircraft is more costly.

We also knew from our earlier ill-fated experience in India, that launching international air services and establishing overseas offices can be very expensive.

Soon after the announcement about Thai AirAsia X, I got a call from Suphajee Suthumpun, who was then CEO of Thai satellite operator Thaicom.

Suphajee is a friend of mine. I first met her in 2006 when she was regional director of IBM. She invited me to speak at IBM conferences in Thailand and Vietnam about some of the innovations we were introducing to the airline industry.

I met up with her at an event in 2013 where Nok Air and Thaicom were partnering to introduce on-board wifi.

She told me on the side-lines of the event, she had a good friend, Ng Chin Hwee, who is executive vice president of operations and human resources at Singapore Airlines.

She said Singapore Airlines was interested to partner with Nok Air to establish a long-haul low-cost carrier in Bangkok. Suphajee then asked whether I would like to meet Chin Hwee to discuss.

“Alright, let’s meet up and have a chat then,” I said.

Before I met with Chin Hwee, I talked to Piya. We both agreed that if Nok Air was to launch a long-haul low-cost carrier, we would need some outside help. We also agreed that Singapore Airlines would be a good partner as it was already experienced in this market segment, because of its low-cost long-haul airline Scoot.

Chin Hwee had never met me before, so I think he went through Suphajee, because he wanted to ‘test the waters’.

He could have approached me directly. I am active on social media – Linkedin, Facebook, Twitter, *etc.* – so I am easily reachable.

But he chose to make his first approach via Suphajee.

The Zhengzhou Government, when they wanted to ascertain whether we would be interested to launch air services to their city, did the same; they went through an intermediary, which was CP Group.

I believe this approach can be good, especially if you don't know the other party and their priorities. If the intermediary knows the other party well, they can get through and help to ascertain if there is an opportunity there worth pursuing.

Also, when the intermediary broaches the idea, the other party has time to think about it and come around to the idea, rather than feel compelled to give an answer straight away. If you approach another party who you don't know, and you also don't know what their priorities are, there is plenty of room for rejection and hardly any room for acceptance. Before doing business, both parties need to know each other and know what each other's priorities are.

I remember in February 2004, even before we had launched, executives from European low-cost carrier easyJet walked up to me at a conference and asked if we were interested in having easyJet partner with them and invest in Nok Air.

I immediately rejected the idea. I had never met them before and finding additional equity partners, at that time, was hardly a priority. If they had gone through an intermediary, who knew me, maybe the outcome would have been different.

Because they asked me outright, I felt compelled to give an answer straight away. If they had used an intermediary, I might have given the matter some more thought.

Thanks to Suphajee's introduction, I arranged to meet in Bangkok with Chin Hwee and Campbell Wilson, Scoot's then CEO. I brought into the meeting Piya and our chief commercial officer, Yodchai Sudhidhanaku. I was already sold on the idea of partnering with Scoot, but I wanted Piya and Yodchai to understand for themselves and to agree to the idea. I was there for the start of the meeting, but deliberately walked out so Piya and Yodchai had a chance to talk alone to Chin Hwee and Campbell.

The feedback I got from Piya and Yodchai was very positive.

We later agreed to call the joint-venture NokScoot and that Nok Air would own 51% and Scoot

49%.

All of us were conscious of the fact that the tie-up was a potential political minefield, so we knew we had to manage that.

You need to remember that the Thai government, led by Thaksin Shinawatra, lost popular support because Thaksin sold his telecommunications company Shin Corp. in 2006 to the Singapore's state-owned investment company Temasek Holdings.

There was a public backlash, because Shin Corp's AIS telecommunications business was considered a strategic asset to Thailand.

Also, when Thai Airways International tried in 2010 to do a joint-venture low-cost airline, Thai Tiger, with Singapore Airlines' Tiger Airways, there was a backlash against that too. It ultimately led Thai Airways' then president, Piyasvasti Amranand, to abandon the idea.

I remember Piyasvasti, in 2009, wanted me to expand Nok Air internationally. I told him 'we are not ready yet.' In 2009, we were just recovering from our financial predicament in 2008. At that time, we could not afford to incur the losses that would have resulted if we had launched international air services to the destinations Thai Airways wanted us to fly to.

When I said 'not yet', Piyasvasti responded by saying: "Ok, we will establish our own low-cost carrier then."

But the Thai Tiger joint-venture failed to get off the ground, because it was derailed by politics. Me, Campbell and Chin Hwee were all wary of the potential for national politics to disrupt the new joint-venture, NokScoot.

I was tasked with convincing the Nok Air board to approve the joint-venture.

I told the board: "AirAsia is going to launch soon in Thailand with widebodies. If Nok Air remains small and without widebodies flying internationally, we are going to be losing out on the market."

"We should partner with Singapore Airlines, because they have the technology and the 'know-how'. They understand how to operate widebodies efficiently," I said.

I also explained that we already had good relationship with people at Scoot and we considered them more than industry colleagues, but friends as well.

After convincing the board, I then spoke at a shareholders meeting and got their approval. We felt Nok Air had to take the lead in this new joint-venture, so we appointed Piya as the CEO.

A few days before NokScoot was due to launch its first flights to South Korea and Japan, the International Civil Aviation Organisation (ICAO) - the international body linked to the United Nations, responsible for civil aviation – issued a global warning, referred to as a 'red flag'. ICAO warned that Thailand's civil aviation regulator was failing provide proper regulatory oversight of the country's airlines.

The warning was issued against the Thai regulator – Thailand's Department of Civil Aviation – but it was Thailand's airlines that suffered. Some national regulators – including Japan and South Korea – responded to the ICAO warning by deciding to stop any new Thai carriers from operating to their country. Thai airlines, that had already launched services, were allowed to maintain their services but no new air services from Thai carriers were allowed.

NokScoot had to suddenly cancel the flights to South Korea and Japan, that it was planning to launch, and provide refunds to passengers.

It meant NokScoot had to change its launch strategy. Instead, we focused our efforts on China. Nanjing was NokScoot's first destination. We also launched services from Bangkok to Singapore. We knew there was no need to launch a widebody on such a short route. We also knew we would lose money, but we went ahead because we needed somewhere to fly our aircraft to.

NokScoot had already committed to leasing two Boeing 777-200s from Singapore Airlines, and we were unable to postpone the lease, so we had to launch operations and fly somewhere.

Partnering with Singapore Airlines' Scoot to launch NokScoot had its pros and cons. The benefit was we could enter this market segment quickly and smoothly, because we could make use of Scoot's knowledge and expertise. Because NokScoot is 49% owned by Singapore Airlines' Scoot, it also meant we can leverage of Singapore Airlines' buying power when dealing with vendors. For example, NokScoot has a very competitively priced deal with Rolls-Royce on

engine maintenance and support.

The negative part of partnering with Scoot, was Piya left the Nok Air office and relocated to a separate office at the airport where NokScoot is. Me and Piya were no longer communicating every day. When issues arose, it now took longer to resolve because we were no longer working so closely together.

24. Inside the Lion's Lair – Why It's Important to Know How to Read People

One of the biggest mistakes we made was to meet with Rusdi Kirana, president director of Lion Air, Indonesia's largest airline. I now look back on this episode and wonder to myself 'why did we meet with Rusdi? Why did we do this?'

We had known for quite some time that Lion Air wanted to establish an airline in Thailand and we thought if Lion Air was going to come in a big way, then we better start talking to them about the possibility of partnering.

We went to Jakarta to see Rusdi in his office in Lion Tower, a 10-storey building in an old downtown area known as Gajah Mada, Jakarta's Chinatown.

Rusdi had the entire eighth floor as his own personal office space. The eighth floor was quite dark. No one sits on that floor except Rusdi and his secretary.

His office was very big, but there he was on his old brown vinyl leather sofa eating nasi padang, Indonesian street food. He dressed quite casually – he was wearing a long sleeve white shirt and a pair of pants. We had a good meeting with Rusdi. My first impression of him was that he was a very humble person. I would later discover that my first impression was incorrect.

In that meeting we discussed how Nok Air and Lion Air could work together in Thailand. How Lion Air could fly passengers into Bangkok's Don Mueang International Airport and connect to Nok's extensive domestic network. We even talked about the possibility of Lion Air investing in Nok Air and invited Lion Air to do due diligence on us.

That was the first meeting.

We felt comfortable talking to Rusdi. He seemed to be quite open with us. For example, he knew that one of the weaknesses of AirAsia, at that time, was its IT system.

“What Nok is doing with IT is very innovative.”

“We here at Lion are weak at IT,” he said.

When you expose to your competitor your weakness, you come across as being sincere.

We then had a second meeting but, this time, we met at Jakarta’s Hyatt Hotel, close to his office. We sat down together in the café on the ground floor.

Rusdi told us that he had thought about it but decided that Thailand was a market that he felt Lion Air was not suited to and he said Lion Air had no intention to enter the Thai market and was instead going into Malaysia. We then went shook hands and went our separate ways.

What I didn’t know then, that I do know now, is what motivates Rusdi. To read people and know how to deal with them, you need to know what motivates them.

AirAsia’s group CEO, Tony Fernandes, has always claimed that AirAsia was the first low-cost carrier in Asia, having started operations in 2001. Thanks to the media’s favourable coverage of AirAsia and Tony’s marketing wizardry, the perception today is still that AirAsia was the first.

But Lion Air was the first low-cost carrier in Asia having started operations in the year 2000. The fact people think Fernandes was the first to bring low-cost air travel to Asia is something that rankles Rusdi. Rusdi and Fernandes are rivals and sadly for Nok, we were about to become collateral damage in a battle between AirAsia and Lion Air for market dominance in Southeast Asia.

Lion was going into Malaysia to take on AirAsia head-to-head in its home market, but Rusdi as we later discovered is very ambitious. He also wanted to take on Thai AirAsia.

Around the same time as we were talking to Rusdi, we had AirAsia courting us. Tony contacted me twice. We were preparing to float our shares on the Thai stock exchange and Tony said to me “why don’t we swap shares and you could be part of a big group?”

I discussed this with Piya who didn't want to consider that. "No Tony," he said.

Thai AirAsia was our biggest competitor, so we had problems coming to terms with the idea of partnering with a low-cost carrier that we were already going head-to-head against in the domestic market.

With hindsight though, it would have been better if I had said 'yes' to Tony's offer and have Nok Air join forces with AirAsia to take on the competition. Tony would have been a better partner than Rusdi. The mistake we made was trusting Rusdi when he said Lion Air would not come into Thailand's domestic market. The next year, they had ten aircraft coming in and a price war was about to ensue.

25. Price War – the Danger of Becoming Complacent

If Thai Lion Air had not come into the market, our airline business would be soaring high in the sky today. By December 2013, when Thai Lion Air started flying, Nok had already conquered the Thai domestic market. We were the number one airline in the country.
We had no issue with Thai AirAsia. Both of us were profitable.

Nok Air announced an order at the Singapore Airshow in February 2014 for 15 Boeing 737 aircraft: eight 737-800s and seven 737 Max aircraft. We were going to be the first airline in Thailand to operate the 737 Max, Boeing's newest aircraft.

The plan was to use these 15 aircraft to expand internationally and conquer the rest of Asia. Going into 2014, we were in a strong position financially as the airline had been profitable for five years in a row from 2009 to 2013.

But with Thai Lion coming in, we put ourselves in a defensive position and never really expanded internationally.

We launched an air service in late 2013 connecting Bangkok to Myanmar's commercial capital Yangon Nok Air, but that was it.

Our business was focused on the domestic market. When Thai Lion came in, our thoughts were consumed with ‘how are we going to deal with Thai Lion?’

When they launched, they immediately dropped their air fares. At first it had little impact, as they only had two aircraft and were only operating on one route Bangkok-Chiang Mai. We had so many more destinations than them, but Thai Lion kept penetrating the domestic market with more aircraft. The additional aircraft didn’t come in twos, but five or six aircraft at a time. Within 24 months, Thai Lion had as many aircraft as us and were continuing to drop their prices. That is when the whole market situation got crazy and we were losing money.

Thai AirAsia were relatively lucky because by the end of 2013, they had already started launching international air services.

I think Thai AirAsia’s CEO, Tassapon Bijleveld, made the right move. Rather than focus on fighting Thai Lion in the home market, keep the momentum up for Thai AirAsia by expanding internationally across the region. It meant a lot of additional revenue came into their business.

The mistake we made was that we had become too comfortable. We also didn’t realise at the time that it was a mistake to put all our eggs in the one basket, so to speak, by focusing solely on the domestic market.

We should have expanded more quickly when Thai Lion came in and we should have expanded internationally.

We believe Thai Lion Air was losing a lot of money, but it seems the new entrant was willing to sustain losses to capture market share. Nok Air though was unable to sustain such losses.

Our cost base was too high. When air fares were higher, it didn’t matter because we could still make a profit. But when Thai Lion entered, it sparked a price war. We focused on competing against them and tried to find ways to reduce our cost base.

26. The Lufthansa Problem – Why Expertise Is Important

We had a problem with Lufthansa. To be precise, we had a problem with their maintenance

company Lufthansa Technik.

In 2010, we switched from Air France KLM Industries to Lufthansa Technik for airframe and engine maintenance. Come 2014 - when we were in the middle of a price war with Thai Lion – engines started coming due for overhaul.

I have to be honest with you. I have no expertise in aircraft engines. In fact, now that I look back on it, I don't think any of us at Nok Air could say we were experts in aircraft engine maintenance.

We had relied heavily on our outside external consultant – a senior maintenance person formerly from Thai Airways – who had experience negotiating engine maintenance contracts. Once the negotiations with Lufthansa Technik were completed in 2009, the deal was presented to the board on the understanding it was the best price at that time.

We then formally signed the agreement with Lufthansa Technik in February 2010 at the Singapore Airshow.

Nok Air was highly profitable then, because we were selling fares with a good profit margin.

But in 2014, when Thai Lion started a price war, we were starting to lose money.

Our fleet, though, had grown substantially since 2009. We had reputable engine maintenance companies, such as ST Aero, coming to us with better deals on engine maintenance. We realised that because of our bigger volume of work for engine maintenance shops, we could negotiate lower rates on engine maintenance.

But we had signed an exclusivity clause with Lufthansa Technik, which meant we were prevented from sending our engines elsewhere.

We were also paying a higher price for engine maintenance, because under our agreement with Lufthansa Technik, the lower price for engine overhaul only applied, if a certain number of cycles were generated by flights over one hour. When we negotiated the deal in 2009, we thought we would achieve the target because we planned to launch international services. But in the end, we had only launched international flights to Myanmar, so nearly all our domestic flights were less than one hour.

When our aircraft engines needed to be overhauled, the costs were uncontrollable. In October 2016, we were facing a cash-flow issue. Airlines are cash rich businesses – thanks to the fact passengers pay for their air tickets in advance – so for us to have a cash-flow problem, you can understand it must have been very dire.

I got on a plane straight away and flew to Hamburg for a meeting with the CEO of Lufthansa Technik, Johannes Bussman. I did that because if we didn't do something to solve our cash-flow problem, the business might have gone under.

When I arrived at Hamburg airport, I was pleasantly surprised that Bussman has gone on his own to the airport and picked me up in his car. I greeted him and then proceeded to speak in German.

"How come you speak German?", he asked.

"Because I used to live in Dusseldorf," I replied. In that moment, we immediately developed a rapport.

To speak to people in their own language, really helps to overcome the cultural divide. I am not a fluent German speaker, but I can converse socially. Same with French.

I was impressed that when we got to the Lufthansa Technik facility in Hamburg, which is one of the biggest aircraft maintenance facilities in the world, Johannes was the one who had organised my security pass. He also went into the guardhouse to collect my pass. He was the CEO of this giant company, but incredibly down to earth. We had a very amicable conversation over lunch in the staff canteen.

Nok Air had a cash-flow problem, because we had to pay for the engine maintenance in cash and then wait to be reimbursed by our aircraft lessors which controlled the maintenance reserves. Each month airlines pay a lease on the aircraft and an additional sum that goes into a maintenance reserve that can be drawn on later to pay for maintenance.

I explained to Johannes how the payment scheme for the engine maintenance was causing the airline to have cash-flow issues. I then asked: "What is the solution?"

Johannes said: "I will help you Patee. We can do tripartites."

He then explained that under a tripartite system, Lufthansa Technik is paid by the lessor from the maintenance reserve rather than by the airline. Johannes helped us a lot. The meeting with Lufthansa Technik went very well, but it reinforced in my mind that aircraft maintenance was something completely new to me and that the team at Nok Air were lacking in this area.

I believe that to succeed in business and in life, you need to know what you are weak at. It is easy to focus on your strengths, but you also need to identify your weaknesses and address them. Otherwise, you are setting yourself up for failure. I also believe that if you are not good at something, then one way to solve the problem is to fill the gap by employing somebody who is.

We had many offers from people with international expertise wanting to work for Nok Air, but Piya didn't want any of it. I also put in a lot of effort in to find good people to help us with issues we were facing. But Piya didn't embrace that.

You also need to hire experts, so you can get your own staff to learn from these people and improve their own knowledge and skill-sets.

After the meeting in Hamburg, I was adamant we needed to develop our in-house maintenance and engineering capability. We had outsourced aircraft maintenance, which is something most low-cost carriers do.

The attitude at Nok Air seemed to be 'we have outsourced it, so we don't have to worry about it.'

When you outsource, you still need to manage the company that is doing the work for you. I decided we needed to have our own maintenance experts, so we could better manage our maintenance suppliers and negotiate better deals.

I pushed to get Ron Brickerd, who came highly recommended from Boeing. Ron's job at Nok Air was to put a proper structure in place for our maintenance organisation, renegotiate maintenance contracts to get costs down and help to recruit and train maintenance personnel for our organisation.

Piya was opposed to Ron joining, but I recruited Ron anyway. Then Piya refused to speak to Ron, which meant Ron started talking to me about maintenance issues. Towards the end of 2016, the three of us travelled to a conference in Dubai.

Ron wanted to introduce us to a senior maintenance person he knew who was working in Dubai. This person formerly worked for Bombardier and knew how to operate and maintain Q400s. We were experiencing many operational issues with the Q400 that led to flight delays and aircraft being temporarily grounded.

Many of the problems were caused – I believe – because we were not proficient enough on the Q400. Having an aircraft grounded meant we had to transfer the stranded passengers onto another aircraft. In many cases, we were the only airline flying to the airport, so we had fly another Q400 up to collect the passengers.

The Q400 operation though was very important to Nok Air. Piya and I agreed we could replace the 737s on domestic routes with Q400s, which would free up the 737s for international expansion. But to implement that plan we needed to make the Q400 operation efficient. Only then could we justify to the board the need to buy more Q400s to replace the 737s on domestic routes.

Ron introduced Piya to his contact who had formerly worked at Bombardier. The conversation between the two men went well. I thought that once we returned to Bangkok, we would recruit this person. Piya was tasked with doing that, but nothing happened. The plane ride back home to Bangkok, would prove to be a turning point in my relationship with Piya.

Piya and Ron had an intense conversation on the aircraft, but I was sitting too far away to hear what was being said. Ron came up to me later and said: “Piya’s told me not to tell you anything about maintenance.”

Later that week in the office, Piya and I had our own intense conversation. Piya said to me: “I am different to you. I don’t trust people easily. I only trust a few.”

I replied: “That is fine that you trust somebody, but that person has to be competent. If you trust somebody who is not competent, then you better get somebody who is competent and get them to win your trust.”

Sometimes people are appointed to very senior positions in the organisation, because the business leader trusts them. Often the business leader needs decide between those they trust and those that are more competent.

It is important to work with people who you trust, but it is also important to work with people who can do the job well. The episode on the plane back from Dubai was the first time I started to question whether I could continue working with Piya.

After Dubai, I started visiting the Nok Air maintenance teams. I would see them at night when they were working on the aircraft. Piya hated that I was penetrating the maintenance operation, but I wanted to know what was going on.

The break-up with me and Piya occurred when he decided, rather than employ experts, he would get people who he had worked with previously at Thai Airways International.

27. Rebuild Your Reputation with a Heartfelt 'Sorry'

Our reservations system crashed in 2015 during Mothers' Day, a very busy travel period.

The whole system was down for four hours and it meant the only way to check-in passengers was by manually typing the passengers' details into the system; a very slow and tedious process.

Our reservations system is also linked to our online booking engine, so it also meant people were unable to book tickets on Nok Air. Those four hours caused havoc for the rest of the day. Queues of people waiting to check-in, banked up and we had to delay flights as passengers were unable to check-in on time.

I received a call at home from our ground handling team at Don Mueang International Airport.

"Who's in charge down there?", I asked.

"There's not really anyone in charge here," they said.

"I am not going to go to the airport, because if I do I will be a centre of attention, people will scream at me and we will not get anything done. But I will direct you guys from here."

"Once the passenger checks in and you tell them the flight is delayed, they will go off to eat. But

then when the plane is ready, the passengers will be nowhere to be found," I explained. "We need a system for tracking down the passengers, so we are all in tune and everyone knows what is going on."

"I want check-in counter staff to write down the mobile number of every passenger that checks-in, we also need to have announcements every 15 mins and I want ground staff to walk through the terminal holding placards showing the details of upcoming flights and for them to also shout-out the details, so people can hear it."

Our approach worked and at 3am the next morning, we had the last flight take off.

The next day, I decided we needed to apologise personally to each passenger affected by the delay, so we could get our brand back and generate goodwill. I knew that an email would be insufficient.

We printed 20,000 apology letters – one for each passenger - and I personally signed each letter. We then posted the letters. It took us a week to do it, but we did it.

It worked. People appreciated that we took the time to write a letter to apologise. It showed we were responsible. When issues arise, it is important to take responsibility, focus on how to fix the problem and help your customers.

28. Pilot Problems – Be Strategic, Not Emotional

I received a call one day from one of our senior pilots. "You know operations has a problem with pilots? We think you better come and help fix it. The pilots are going to strike."

Until I got that call, I had been under the impression that everything in flight operations was fine.

"Why don't you meet me at Rama Garden Hotel to talk about all this?" I said to the pilot who was leader of the group. Rama Gardens is a large hotel complex very close to Don Mueang International Airport.

Before I went to the hotel, I asked Piya what was going on. He said: "Oh, we are bringing in

Thai Airways pilots and are changing the flight operation management team overseeing the pilots. Some of the pilots don't like the changes, but we are going to fire these people anyway."

When Piya and myself went to the Rama Garden Hotel to meet with the rebel group of pilots, there were over 50 of them there, representing a quarter of our entire flight crew. I was shocked that there were so many. The rebel leaders were a clique of former Royal Thai Navy pilots. In Thailand, it is common for military pilots to further their flying careers by later changing jobs to fly for commercial airlines.

I asked the leaders of the rebel group: "What's the issue?"

They said Piya and Capt Sanjai Bunma had taken them off the flight operation management committee responsible for pilot rostering. They said it was unfair and if the airline fails to reinstate them, they will go on strike tomorrow. The leader of the rebel group also asked that he become the deputy head of flight operations with the understanding that if Capt Sanjai later steps down, he is to be Nok Air's new head of flight operations. Sanjai at that time was already in his 60s.

This meeting was in October, just days away from the peak travel season. The rebel pilots had pushed me into a corner where I had to make a quick decision. I could see there were more than 50 pilots that were part of this rebel group and if they went on strike, there would be major flight disruptions.

I thought to myself "we all have to take a step back so there will be no flight disruptions and I have to buy time, so I can then come up with a strategy to deal with this problem."

I said: "Alright, here's my deal. I have never heard of these issues till now. Here is what I will do. You will have your positions back for now, but you will not get the number two position behind Capt Sanjai yet. But you all have your old jobs back. Is that ok?"

Everybody said "okay" and I immediately felt the tension subside and everyone was happy.

This gave me time to think about the problem. But Piya was annoyed and so emotional that he just walked out of the hotel. Piya just wanted to fire the leaders of the rebel group. But I knew if we sacked the leaders of the rebel group, there would be a massive strike and a catastrophic disruption to Nok Air's operations.

Capt Sanjai was also unhappy about my decision. I said: “Look, we can’t afford a disruption like this and it could escalate even more. Don’t forget there are some people in the air who are flying right now who may be part of this group and you don’t know who it is. Let’s make a better plan.” I wanted more information, so I could understand the situation better and come up with a plan to fix the problem properly.

I cultivated my own pilot contacts who told me what was happening behind the scenes. It turns out there were two groups of pilots and that the rebel group were unpopular with the other group. The rebel group, who were largely former Thai navy personnel, had been controlling the crew roster. They had been allocating more flying time to their clique at the expense of those in the other group who were now disenfranchised.

In February of the following year things came to a head. Capt Sanjai and Piya had brought in Thai Airways pilots who would become training captains. But before they could become training captains, they had to be certified as captains on Boeing 737-800s, the aircraft type Nok Air flies. These Thai Airways pilots were already very experienced captains but at Thai Airways they had flown other aircraft types.

It meant they first had to fly for Nok Air as first officer, accumulate a certain number of flight hours and then they could qualify to be a 737-800 captain that then teach others.

The rebel leaders feared was that this new group of teaching pilots would be able to certify all the captains in future and take away their power. So, every time a Thai Airways pilot was put in as co-pilot, the rebel pilots would refuse to fly with them. This led to flight delays and flight cancellations.
I remember the exact date that this issue came to a head because it was Valentine’s Day and I was going to take my wife out for a special dinner that I had planned. When the message came to me that that one captain was refusing to fly with his Thai Airways co-pilot, I asked: “Who is it?” “It’s the leader of the rebel group,” my contact told me.

I said: “Let’s wait for the next flight.” At that time, it was only one flight that had been cancelled and one rebel captain that we had to deal with.

This matter could have been dealt with very quietly, but what happened next was the deputy transport minister decided to go to the airport to try and help to fix this issue. However, he

brought the media with him. When I found out about this, I had to tell my wife there would be no Valentine's Day dinner.

Instead, I had to go to the airport to have a meeting with the deputy minister and the media.

It became a media circus. Having journalists at our airport office emboldened the rebel pilots. Now we had a second captain who suddenly decided last minute not to fly. We had earlier created a management committee to tackle this issue with the pilots, so the committee responded to the strike action by firing the pilot that had refused to fly.

This pilot was one of the leaders of the rebel group. The swift action took the rebel leader by surprise.

But then a third captain decided not to fly, so that pilot was fired immediately.

The rebel pilots were only looking at the issue from their own point of view. They failed to recognise that operating an airline is a team effort. It is not just pilots who work for airlines. There are thousands of other people too: cabin crew, maintenance personnel, ground staff, administrative staff, marketing and sales, reservations, *etc.* The reputation of the airline and the livelihood of everyone who works at the airline is at risk as a consequence of wildcat strike action. I decided better to act fast and sacrifice a few pilots, that had gone on a wildcat strike, in order to save the livelihoods of everyone else in the airline.

We were able to still serve our passengers because we paid other airlines, such as Thai Smile, to transport our passengers. The pilot's strike at Nok Air was big news in the Thai media as well as the international media. Passengers were angry. Some vented their frustration on social media.

From the intelligence I had gathered earlier from my pilot contacts, I knew that the ex-Royal Thai Navy pilots, who totaled 13, would most likely follow the rebel leader. I knew the rebel leader would be pulling strings to get others to follow them in refusing to fly.

Because of Thailand's labour laws, if a pilot resigns they can still fly for the next 30 days and be paid for that. I discussed this with Piya. He said: "We still have another 30 days and we will find pilots in that time."

I said: "No. What is going to happen is this guy that has gone is going to disrupt even more

flights with the thirteen extra guys he can convince. You are going to have even worse problems. The guy will be pulling strings to create further delays."

"What we will do, is the minute a resignation comes in, you take that person off the roster completely. And then we will talk to other airlines to help us clean up this mess. We cannot have disruptions in our services and I am willing to charter aircraft from Lion Air or AirAsia to fly our passengers."

In such a situation, you need to be decisive and when you cut you need to cut completely.

What we did worked. It stopped the hemorrhaging of the airline's operations because we shocked the rebel pilots, some of whom were now out of a job. The rebel leader who had been pulling strings quickly lost credibility.

Some of the pilots who had resigned, quietly contacted me and they came to my home to see me. We got them to come back and fly with us.

When I look at things, I look at the end game. The way we dealt with the pilot problem was very strategic. We did endure some pain – cancellation of flights and some negative media publicity – but we fixed the pilot problem. My thought process was 'what is the end game and how are we going to get there'.

29. Passenger Death – Dealing with Another Crisis

We had a passenger die. The media found out about it and it became big news in Thailand as well as internationally. The story even ran on CNN.

The passenger's name was Por Jai, a five-month old husky.

The dog's owner had put Por Jai on a Nok Air flight from Bangkok, but when the dog arrived in Trang, he was found dead in his cage.

Nok Air, like many other airlines, has a pet delivery service.

The media frenzy over Por Jai's death is a good example of how the media today is often driven by social media. The mainstream media found out about it, because the pet's owner posted the story on his Facebook along with a picture of the dog.

Mainstream news organisations today are under a lot of financial pressure – due to the loss of advertising revenue to the internet – which means there are fewer journalists working today than before. Many journalists don't have time to meet people and find stories. Instead, they churn out stories by sitting at their desks surfing the internet.

The media also likes drama and the pet owner had given them a very easy story to write, because he provided all the content to write a dramatic story. Is it a news story worthy of extensive local and international news coverage? I am not sure that it is, but it is an easy story for a journalist to write and fill that day's news page.

We took the matter of Por Jai's death very seriously though. We stopped the transportation of pets on board our aircraft for more than a month, because of that incident. However, we did later reinstate the service because we had many dog owners writing to us needing to transport their dog.

30. Importance of Music – How to Attract People to Your Brand

Music is an important part of Thai society. It is part of people's everyday lives and it cuts across all layers of Thai society. Music breaks through the social barriers and brings people together.

Sport is also important, particularly football, but music I prefer because it brings people together. Sport can be divisive, as you usually it is about one side versus another.

At Nok Air, we had to find a way to reach out to the masses in the rural areas of Thailand.

I remembered how telecommunications company DTAC – a client of Bates Thailand – had successfully marketed to people living in rural areas by organizing community events. They would take over a whole street in a town and organize fun activities and give away sim cards and other prizes.

My time working on the chicken farms in Chon Buri, also taught me how important music was to

people in Thailand.

That is how at Nok Air we came up with the idea to do live music concerts in the towns and smaller cities.

It was important to target communities living outside Bangkok, so we could get inbound traffic.

The first concert we did, which was in Chiang Mai, had an audience of 400 but the events grew in popularity and we were eventually getting 10,000 people at each concert. We did concerts in: Chiang Mai, Chiang Rai, Udon Thani, Ubon Ratchathani, Nakhon Si Thammarat, Phuket, Surat Thani, Trang and many more places around the country.

These concerts generated valuable exposure for Nok Air in the local media. The local newspapers and TV stations would cover the event and often we had local VIPs, such as the local governor attending. We started as a sponsor of these concerts, but eventually I decided to also perform in them. I thought it would be fun and a good way to raise awareness for the airline, as I must be one of the very few airline CEOs that performs in music concerts.

Performing in the concert – rather than just sponsoring it – was a way to bring people much closer to the Nok Air brand. It also made us more than just an airline brand, but a lifestyle brand.

But when Nok Air started to lose money, the concerts became a source of friction between me and Piya. He never saw the value in it. He would say: “It is costing us three million baht per concert.”

There is a tendency among companies to cut the marketing budget, when they start to lose money. They see that marketing is a cost centre, when in fact it is helping to raise awareness for your brand, differentiate you from the competition and to drive revenue.

31. Thai Airways Saga – Dealing with Office Politics

Nok Air was hatched in the management offices of Thai Airways International, but we have always been a separate company with an independent management team.

I know that our independent mindedness has ruffled a few feathers at Thai Airways. Our relationship with Thai Airways got off to a very shaky start from the beginning.

The chairman of Thai Airways, Thanong Bidaya, had asked me to join Nok Air as CEO, but the then-CEO of Thai Airways, Kanok Abhiradee, was only briefed on that later.

When he was told of the news, he called me. I already knew Kanok, because he had been a client of an ad agency I worked at. I first me him, when he was working for Manager Group, which is a large media company in Thailand.

Now he was calling me about Nok Air. “Patee, is it possible to come over to our office to meet with the other executives from Thai Airways?”

When he called me on my mobile phone, I was quite near Thai Airways’ office. I was shopping at the Chatuchak Market, but I said: “I’m not really dressed for this.”

“It doesn’t matter,” he said, not realising I was dressed in a T-shirt, shorts and flip flops.

I was under the impression the meeting in his office, would be a friendly chat to get to know the other senior management personnel at Thai Airways. When I arrived on Kanok’s floor of the Thai Airways building, his secretary asked me to wait.

“Would you like to wear a jacket?” she asked.

I said: “No.”

“Why not? We can arrange for it right now, before you go in for your job interview.”

“No, it’s just to have a quick chat,” I replied.

When I was shown into Kanok’s large office suite, there was a big round-table at one side of the room where the top executives from Thai Airways were sitting. They all looked at me incredulously, as if to say: ‘who are you?’

Kanok walked across his office suite to greet me. He was about to walk me over to introduce me to his team, when I said: “Kanok. If they want me for my brains I will be here, but if they are

going to judge me based on my clothes, then I don't want to be here. I don't need this shit."

At that point in time, I was still coming to terms with the fact that when I join Nok Air my salary will be half of what I was earning at Bates Thailand. I also hadn't worked out yet how I was going to tell the Bates network that I would be leaving.

Kanok said: "Patee, relax."

After Kanok introduced me to everyone, we sat down. I thought I was there to have a chat and get to know them, but they wanted to interview me. The first question came from Thai Airways' director of technical.

He said: "You understand about load factors right, so I would like to ask you…"

Before he had a chance to continue, I butted in. "No, I don't. I have no idea what you are talking about."

He continued: "Do you know what turn-around times are?"

The director of technical was asking me all these technical questions, just to make clear to everyone in the room that I don't know anything about airlines. When Thai Airways director of operations also started asking me technical questions, to make the same point, I had enough.

I said: "Listen, I have never worked for an airline before. What I bring to the table is I know how to do great marketing. But don't expect me to know anything about airlines yet, because I haven't even started working for Nok Air."

I was very direct with them and I think they were taken aback. They could see there was no way I was going to be compliant. I believe Kanok had brought me into that meeting to induct me into the Thai Airways management style, but it didn't work. Nok Air would be independently managed.

Despite the difficult first meeting with the Thai Airways management team, they eventually became quite friendly towards me.

I remember the director of flight operations at Thai Airways became very supportive of Nok Air.

The director of technical I also developed a good working relationship with. We were never that close, but we got along. Rather than argue with him, I would appease him by saying: “Tell me what I need to do.”

We had to keep Thai Airways on side because at the beginning we were very dependent on their support, particularly in terms of maintenance support and access to qualified pilots. We had to ensure Nok Air was a priority within the greater Thai Airways organisation rather than of secondary importance.

In the first 12 months, I would say that Nok Air had a good working relationship with Thai Airways. But sadly, the situation later changed to the point where there was a break-down in communication between the two sides.

Thai Airways’ top management kept changing due to politics. The flag carrier is a publicly listed company, but it is majority owned by Thailand’s ministry of finance. The volatile political landscape in Thailand – namely successive changes in government, some due to military coups – flowed through to the national carrier which had changes of chairpersons and presidents in quick succession.

A new chairperson or president would be appointed at Thai Airways, and each new person would have a different viewpoint on Nok Air and the low-cost airline business.

These new people never had a channel through which they could properly understand what Nok Air was about. Their views were shaped by what they read in the news media. The problem with the news media, is journalists are taught that stories about market competition and conflict are more newsworthy. The media prefers to write that low-cost carriers, such as Nok Air, are a competitive threat to legacy airlines, such as Thai Airways.

Because of this perception created in the news media, people at Thai Airways – including the new chairpersons and presidents coming in-started to view us as competition.

There are also 20,000 staff who work at Thai Airways and they don’t understand why Thai Airways needs to have a separate low-cost airline. Top management at Thai Airways, I believe, never properly communicated the premise behind Nok Air; that low-cost carriers cater to a different market segment to full-service airlines and that the two businesses are complementary.

The only information the staff at Thai Airways receive about Nok Air, is from what they read in the media.

For two separate parties to work well together, there needs to be a shared vision. Management from both sides then need to communicate and continually reinforce that shared vision to their employees and new people coming into the organisation.

Nok Air and Thai Airways also never had any cross-over of top management personnel.

If you look at other successful low-cost carriers such as Qantas Airways' Jetstar and Singapore Airlines' Scoot; they get along with the airline parent, because there are senior people at the full-service carrier who came from the low-cost airline.

Qantas Airways' CEO, Alan Joyce, was previously CEO of Jetstar. Campbell Wilson, Singapore Airlines senior VP of sales and marketing, was previously CEO of Scoot. These senior people are obviously looking out for the low-cost airline in the larger airline organisation.

32. Departure from Nok Air – Knowing When Is the Right Time to Leave

Rather than spending my time developing new innovations and taking the company forward, I spent a lot of time – since we did the IPO - dealing with the Nok Air board and fighting with Piya to try and get improvements made to the operations, so we could reduce our cost base and improve the airline's on-time performance.

Piya and I had a major difference of opinion on how to solve the issues facing the airline. He wanted to do it his way.

In August 2017, after devoting nearly 14 years of my life to the airline, I announced to the board that I would be stepping down as CEO. I told them I want to leave because "I am not an airline person, I am a marketing person. But the key issue at Nok Air is with the operations."

I also knew that if I retained the authority, as CEO, and Piya continues to be adamant that he wants to run things his way, he would be unable to do it. This is because he would have no authority. Therefore, it was better that I leave and he takes the CEO position, so he has the

authority to fix the operations his way.

I stayed on for a few months as non-executive vice-chairman, but then in December I relinquished that post as well and left the airline completely.

The problem I had working with Piya, is he was my friend. When it became clear he was not doing what I wanted him to do, to fix the operations, I should have replaced him. But I was unable to bring myself to do that, because he was my friend. The lesson is, if you are going to work with friends, you need to find a way to separate friendship from your job. The problem I had, was that I viewed Piya as a friend when I should have viewed him as a colleague.

The other key lesson is that when issues arise, they need to be addressed sooner rather than later.

Sometimes you need to make tough decisions. If you let issues slide, it will come back to bite.

33. The Need for Change

The reason businesses, and people, don't change is because they get comfortable with what they are doing already, and to veer away from that and do something different is a pain in the ass. They may see that it is a great idea. But often it may seem too complicated and hard to achieve. They may also be afraid or just lazy.

It can be hard for businesses to move into a new sector, because once you register a brand in the marketplace, it will be known for that. The same with people. It is hard to change jobs mid-career.

But to grow and develop we need to change and take on new challenges.

I wanted to grow the Nok Air business by leveraging the brand into new sectors, namely hotels and cafes.

We had always marketed Nok as an aspirational lifestyle brand. The airline was our core business, but from day one we have positioned the brand in such a way that it can be leveraged into other industries. There are also a lot of synergies between airlines and hotels as well as with F&B businesses.

But the Nok Air board knocked back my idea. Its mantra was ‘let’s focus on our core business.’

My point of view though is that to really grow the business, we need to diversify. And it is achievable if you have a strong brand that can be leveraged.

When it comes to successful brand marketing, I often recommend making use of an existing brand rather than creating a new brand from scratch.

After I left Nok Air, I got a call from the management team at Thai charter airline Asia Atlantic Airways. The airline was looking to relaunch its business. My advice to them was, ‘one of your major shareholders is H.I.S., the famous travel agency group. You should rebrand the airline H.I.S. Airways and make use of that existing travel brand that is already famous in Thailand and around the region. By making use of that existing and very strong brand, you automatically have brand recognition and create credibility’.

At Bates Thailand, one of our most successful campaigns was for Thai mobile telecommunications company TAC. When we repositioned the company as the leader in 3G mobile telecommunications, we didn’t create a new brand per se. All we did was modify the existing brand by changing it to DTAC. ‘Dee’ in Thai means ‘good’. We refreshed the brand’s image to make it modern and current, but we knew that we needed to retain the existing brand equity. There were existing customers that liked TAC and had an affinity to the brand. If we changed the brand completely, they may leave and we would have to spend additional marketing dollars to retain them.

By keeping TAC and putting the ‘D’ there, it alters the brand but not totally changes it. This shows improvement for the existing customers.

Also, creating a whole new brand is far more costly.

When we created Nok Air in 2004 it was a completely new brand. But to create instant recognition and credibility in the market, we leveraged off an existing brand. Thai Airways International, at that time, owned 39% of the airline and was our largest single shareholder.

The very first advertisement we ran, leveraged off the Thai Airways International brand. The ad highlighted that Nok Air’s maintenance was done by the national carrier.

In 2004, most people in Thailand had never flown on an aircraft before. If you have never flown on an aircraft before, but are considering flying, what is the first thing you would think of?

‘Is it safe?’

But having an ad that says ‘maintained by Thai Airways International’, makes people think ‘alright this new airline is credible’.

When it comes to brand marketing, I always look for the lowest hanging fruit that can emphasis that the brand is credible.

34. Why a Bit of Controversy Is Good for Business

If you visit Thailand, the first thing you will see when you take a taxi or train from the airport is the plethora of advertising. The inside of the train carriage is full of advertising posters. If you are in a car, you will see large outdoor billboards beside the road all the way into the city centre. Thailand is one of the most media saturated markets in the world.

But everywhere in the world, the challenge is the same. With so many brands competing for peoples’ attention, how do you break-through the media clutter?

What works is a bit of controversy. Yes, a bit of controversy can be good for business. If there’s something controversial, people will talk about your brand. Some people will like it, others will not. But people will be talking about your brand.

Once you achieve awareness for your brand, then you can sell.

The reason I named my new company TheNokWay is because I know it will be controversial. When I mention it to my friends and industry colleagues, some like it and others don’t. But it always generates a lot of discussion. ‘How was he able to register the name?’, ‘Is Nok Air aware of this?’, ‘Why is he doing this?’, ‘Is he going to destroy Nok Air?’ and so on.

Controversy generates a lot of free publicity that gets people to take an interest in your brand.

People are also interested in negative news. At Nok Air, we embraced negative news. Sometimes reporters would call me on my mobile phone seeking comment, because there was a delay to a Nok Air flight. We saw these media enquiries as opportunities, we could turn into our favour. Rather than shy away, I would apologise for the delay and explain what we were doing to help the affected passengers. The journalist, appreciative of the fact we had answered their call and explained the situation, usually wrote a story that communicated many of our key messages. We always positioned Nok Air as the airline that cares about people. Yes, we experienced some flight delays – all airlines do – but what is important is how we dealt with problem. We always communicated what we were doing to help people.

We also courted controversy. One of the controversial things we did was to produce a 2013 calendar.

I had a meeting with Grammy Company, which is the largest music and concert promoter in Thailand. It is also a media company that publishes several magazine titles including the Thai edition of men's magazine Maxim.

I met with them because I was helping a young singer, so he could perform in a concert, we were sponsoring, without having to pay the royalties on the cover songs.

In the later part of the meeting, we got onto the topic of Maxim magazine. One of Grammy's executives suggested, 'maybe we could photograph Maxim models on board your aircraft, it would help to promote the airline.'

I then came up with the idea of doing a calendar. I said: "Let's make it simple, and fun. Not too raunchy, but sexy. It will work because our aircraft really does look quite cool."

We then offered to pay one million baht for the calendar and in return would receive 3,000 printed copies that we could give to key customers.

After the calendar was produced, Thailand's then-permanent secretary for the Thai Ministry of Culture, Prisana Pongtatpitakkul, complained strongly in the media, as did others. The ministry never wrote to us or tried to communicate to us directly, they only communicated with us through the media.

All the controversy helped us to generate millions of dollars worth of publicity for our airline both domestically and internationally.

Some people mistakenly thought though, that the models were Nok Air female cabin crew, so I did have to highlight in the media, these were Maxim swimwear models and not our staff. We would never use our staff in that way. It is important to do things in a tasteful manner and to maintain the professionalism of your business.

But the controversy from that calendar generated more media publicity than we could have ever hoped for. The story ran on international news wires and TV station such as CNN. The story ran in all continents of the globe and in many different languages.

After the story made international headlines, I remember doing a business trip to Seattle to meet with Boeing. When I met the then CEO of Boeing, Jim McNerney, he looked at me with a smile and a twinkle in his eye, and said: “Where’s your calendar?”

We had to give him a calendar too and to many other senior people from overseas that we met with. The calendar helped to make Nok Air even more famous.

35. Learning About Leadership and Social Media

The airline business is a very high-profile business and as a leader, you need to be there leading from the front when there is trouble.

I was at the forefront of the airline, so any negativity that would come in, I would take it all.

This meant that our staff could get on with their work and focus on the tasks at hand. When people get attacked a lot emotionally, they become demoralised. This causes further problems, because they become preoccupied and are unable to function as best they can.

If there were complaints, I would take the hit, so the team could focus and avoid becoming demoralised. Your team need to feel that you are covering their backs. That is the most important thing. If there is bad news, you – as the leader - take the brunt of it, like it or not.

I was there in the news media addressing the problems that were of concern to the public.

I also made use of social media to deal with crises both big and small. The benefit of having a strong social media presence is, if there is misinformation in the mainstream media, you can correct it using your social media platforms. The bigger social media following you have, the better.

When there were the floods in Thailand in 2011, there was misinformation in the media saying that Nok Air had stopped flying to certain destinations because of rising water levels. On social media, I would come in and correct that and say ‘no, it is not true.’

I also used social media to try and bring smiles to people. Our brand philosophy has always been ‘we bring smiles’, as encapsulated in the tagline ‘We Fly Smiles’.

I spent a lot of time on social media trying to bring those smiles to people. I was interacting with customers on an individual basis. People would reach out to me on social media, with a problem they had – such as a sudden death in the family that meant they could no longer travel even though they had paid for Nok Air tickets.

I would make a judgement and then respond. But never forget that when you interact with one person on social media, another 100,000 people get to see it.

But helping people – and letting it be known to a wide audience on social media – really boosted Nok Air’s image as a service-orientated organisation. It sends a strong message that we are an airline that cares about people and touches people’s heart.

I believe one reason Nok Air became famous was because we put so much effort into the social media aspect. On social media, you can become friends with your customers. You don’t talk to them as a CEO, but as a friend.

But whether other business leaders should be so active on social media and engage with customers one-on-one, that depends if it is something you love to do. If you are a CEO that just wants to be a corporate man, then you better assign someone who loves doing social media and loves helping people.

36. Why Value Is More Important Than Price

I believe the airline business is constantly evolving. Airlines cannot stay still; they need to evolve and move with the times. The business model that worked in the past, may not necessarily work in future because consumers' preferences change.

Airlines today, whether they are low fare airlines or full-service airlines, are trying to find ways to reduce costs.

Cutting costs is good, but businesses need to find ways to provide value for the consumer.

My concern is that airlines are not adding value anymore. Over time, there is less and less that distinguishes one airline from another. But once you become a commodity, with no real point of differentiation in the marketplace, price becomes an issue. And once consumers make choices about your product or service, based purely on price, then you are dead.

Businesses need to differentiate themselves by finding what is of value to the customer.

As for the airline industry, I worry that carriers are cutting back on areas that are important to consumers and differentiate their airline from the competitors. Nok Air, for example, decided to stop providing free drinks and snacks on board.

I understand it was because the airline wanted to sell more food and drinks, but here we are cutting the touch points with the consumer and cutting the key selling points for the brand. By giving passengers a free drink and snack, it communicates a very strong message that it is integral to the airline's market positioning: Nok Air is an airline that cares about people.

You shouldn't cut items that are satisfying the customer. I was of the view that we should be cutting back on other aspects of operations that don't impact on customers. For example, we should have brought ground handling in-house rather than outsourcing it, as it was costing us a lot of money using an outside supplier.

Yes, we would have to spend a lot of money to buy the ground handling equipment, but we would recoup that investment with all the money we would be saving.

We also needed to renegotiate with Lufthansa Technik to get a better deal on engine maintenance. All the costly engine shop visits, that really killed us financially.

In business, I always try to find ways where we can have a ‘virtual’ monopoly. In other words, offer something of value to the customer that are others are unable to. One area where Nok Air created a ‘virtual’ monopoly, when it first started, was its unique sales distribution channels. We sold through the same channels that other airline: travel agents, the internet, ticket booths, *etc*. But we also sold through distribution channels, that the other airlines were unable to sell through, namely bank ATM machines and 7-Eleven convenience stores.

We had a temporary monopoly over those sales distribution channels, because it was difficult for competitors to copy us. Thai AirAsia did eventually copy us, but it took them years to do it.

Thai AirAsia was using a booking engine that is very common in the airline industry, but was incompatible with 7-Eleven’s information technology system. We were using a different booking engine – called Results – that was compatible.

We created a whole new sales distribution channel, through ATMs and 7-Eleven stores, which was more befitting to consumers at that time.

In 2004, when Nok Air launched, internet penetration in Thailand was quite low and very few people had credit cards. So many people were unable to book air fares through the internet, but people did have an ATM card or were able to go to a 7-Eleven. When internet penetration did take off in Thailand, thanks to the advent of smart phones, we were the first to embrace the mobile as a sales channel.

But in more recent years, other airlines have caught up with us. We have failed to step up to a new level and stay ahead of the competition. Instead, we are becoming more like Thai AirAsia and Scoot. I think our push to generate more ancillary revenue – by charging for things that we once gave for free – means we are becoming like the other low-cost carriers, which means there is less that differentiates us from the rest.

We are becoming a ‘me too’ airline. But to succeed in business, you need to have a unique selling point that differentiates you in the market and makes the consumer choose you over the others.

I think the airline industry in future is in for a tough time. I think there will be airline consolidation. There are too many airlines.

The airlines' service offering will need to evolve and what will happen is the frills will be added back. Everyone is competing for the same market, so the airlines will need to differentiate by offering more frills. Also, the more people fly, the more their expectations increase.

When people first fly, they are just happy to get to their destination safely and at a reasonably low fare. But after a while, people want something better. They grow to expect better service and more comfort.

We can see some low-cost carriers are already tapping into that consumer sentiment by offering, for example, free inflight entertainment.

The key lesson to succeed in business is you need to differentiate your brand by offering something of value to the customer that your competitors are unable to offer.

37. From the Heart

In life, you need to be passionate about what you want to achieve. Your heart has to be in it. You will always encounter problems and difficulties in life, but if you have the passion – the will in your heart to succeed – you will achieve.

At Nok Air, we encountered enormous problems – the global financial crisis, airport closures, a pilots' strike, etc – but we overcame those problems, because we – myself and the team at Nok Air – had the passion required to fix problems and get the business back on track.

If you work with people who are passionate and sincere, you will be able to find ways to solve the problems together as they arise.

To succeed in life, you must never lose heart. You must remain passionate, love what you are doing. You must also care about other people. Be compassionate. Show heart and find ways to 'touch peoples' hearts'.

But you must be sincere about it. Like what I tell our cabin crew during training, 'putting heart into service is what is important. At the end of the day, you can smile as much as you want, but if your smile is not sincere, it will not work.'

In business and in my personal life, I always search for people who are sincere and have ‘heart’. It is the heart that counts. I love my wife ‘Be’ because she has a good heart – she is a caring, thoughtful person.

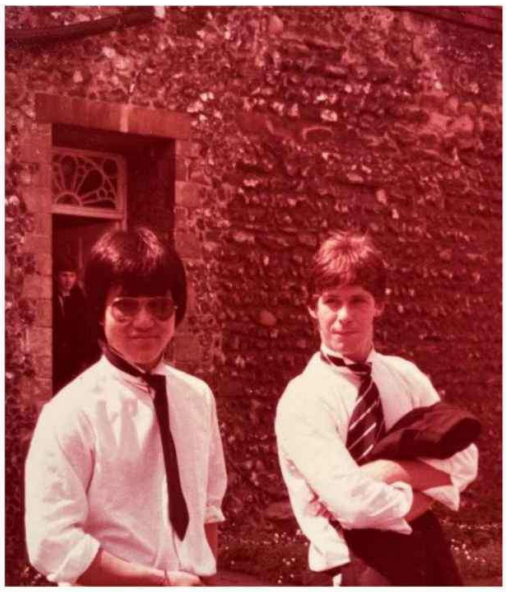
People are drawn to people who are beautiful or successful, but beauty and wealth can quickly dissipate. What is more important is that the person is sincere and has a good heart.

It also important to always show integrity. I know, that when I was a six-year old boy, my grandmother instilled in me the importance of integrity.

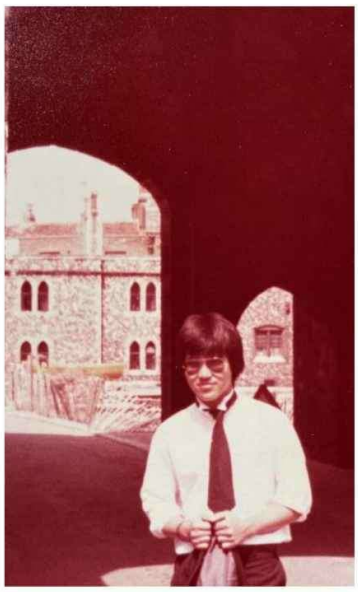
“You must remain faithful to the integrity of the family. Don’t cheat. Don’t do anything that could damage the legacy,” she would tell me.

These words are so true. Your integrity and reputation are worth, so much more than anything money can buy. If you lose your integrity and reputation, there is very little you can achieve in life.

You must stay true to what you feel is right, in your heart, and find ways to touch peoples’ hearts in a positive and meaningful way.

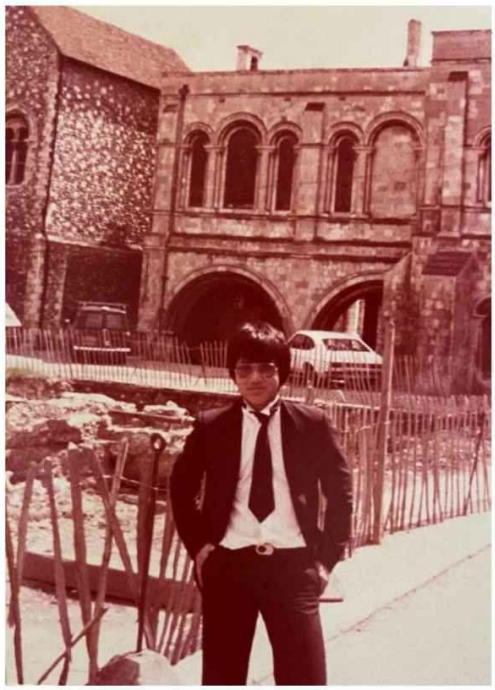


Time at the King's School, Canterbury



Rare sunny days

I was on the school rugby team



At the King's School we wore wing collar suit uniforms: the local kids referred to us as the "penguins"

The weird tilted door at the King's School school shop is no longer in use today

First date with Be: we watched Spielberg's *War of the Worlds*, which she later told me was not her kind of movie.

Early days at Nok Air

At the foot massage place after a long day at work

With Piya Yodmani, in the first of many years working as a team – our motto was "I dream, you deliver"

With my sister in Washington D.C., at the ambassador's residence

Announcing new Q400 turboprop orders with the Bombardier team

Inspecting our Boeing 737-800 at the Renton, Seattle plant

One of many pictures combining the smiles of our crew and of the planes

Celebrating five years of profitability with my staff

When we launched into Vietnam, we cruised all over Bangkok to let people know

Our third-year anniversary was celebrated with a three-baht promotion; the top three executives dressed like babies and the website crashed

Piya was sent to run NokScoot: the message was that we were one team doing different things

Every two weeks, I make a surprise visit at midnight to the maintenance department: we care for the aircraft, but also our team

Smiling Through Turbulence

Smiling Through Turbulence is a heartfelt autobiography
by Patee Sarasin

Thailand's most well-known marketer and the founding CEO of Nok Air, one of Asia's leading low-cost carriers.

Patee speaks openly and frankly about the lessons learnt from running the Thai carrier, which went through major crises: the 2004 tsunami that devastated parts of Asia, the global financial crisis, a pilots' strike, the Bangkok floods and airport shut-downs caused by political protests.

He also talks candidly about his childhood, family, relationships and love.

Born in Bangkok, to prominent political family, and educated in the west; Patee grew up straddling two cultures, giving him a unique cross-cultural perspective on living and working in Asia.

From reading this book, you will learn valuable lessons in how to successfully ride the ups and downs in life; whether it be in business or in your personal life.

And on to the *Next* Chapter